

## School-leavers push total of jobless adults up to 1,297,700 in a month

Number of adults unemployed has risen this month to 1,297,700, which represents 5.6 per cent of the workforce. The crude June increase, seasonal adjustment, of 104,685 was entirely matched by the number of early

school-leavers, included in the total. When the rest of this year's school output joins the queue for jobs next month, the unemployment ranks are likely to increase by about 70,000. And for them the outlook is fairly bleak.

## Government's worst fears being realized

The Government's worst fears are being realized as the unemployment figures for June show that the number of jobless adults has risen to 1,297,700, which represents 5.6 per cent of the workforce. The crude June increase, seasonal adjustment, of 104,685 was entirely matched by the number of early school-leavers, included in the total. When the rest of this year's school output joins the queue for jobs next month, the unemployment ranks are likely to increase by about 70,000. And for them the outlook is fairly bleak.

per cent will find jobs within a year. The output of school-leavers seems to be the likeliest explanation for the way in which the total number of adult unemployed has increased. In a normal month about 360,000 join the unemployment register and about the same number of people find jobs. What seems to happen during the months when many school-leavers join the list is that some of them go directly into employment which would otherwise have been filled by adults previously on the unemployment register. Because of this, the number of adults going on the register may remain the same, but the number coming off falls, with a consequent worsening in the overall picture.

During June that would seem to be roughly what happened. The crude figure hardly increased at all, but because summer is usually a good time for jobs, it ought to have fallen by about 32,000. It did not fall. There was some improvement in the crude total of vacancies

available, but not enough to prevent a fall in the seasonally adjusted figure by 3,900 to 155,800. One month's figures do not prove that unemployment is about to resume the sharp rise that was experienced in 1975, and the Government still hopes that any increase will be relatively gentle. None the less, the latest deterioration is bound to start worries that the worsening that Government economists have been predicting for some time is about to start, which will make the task of convincing unions of the benefits of moderation harder. It will also provide further ammunition for those who accept the case for reflationary action by the Chancellor either next month or later in the year. With output growing at little more than a snail's pace, retail sales stagnant and exports not increasing very quickly, it is hard to see where the jobs will come from to prevent greater unemployment for as far ahead as it is possible to predict.

Leading article, page 17

## Hundreds flee purge in Uganda

From Our Correspondent  
Nairobi, June 21

Hundreds of Ugandans have crossed into Kenya seeking refuge from what they describe as a purge by the Army after an attempt to assassinate President Amin. This report, issued tonight by the official Kenya News Agency, is the first apparent confirmation of earlier reports that President Amin survived when shots were fired at his car near Entebbe. But President Amin's own whereabouts remain a mystery. Some of the refugees entering Kenya said he was receiving medical treatment in Uganda, others said he had been flown to Libya for treatment.

Telephone inquiries to State House, Entebbe, brought the surprising reply that "he is missing, we are looking for him". The unnamed official who answered the telephone would not elaborate. In his lunchtime news bulletin Uganda radio said President Amin had been represented at Refugee Day ceremonies yesterday in western Uganda by his Minister for Culture and Community Development, Mrs Mary Asile, who is the wife of the presidential spokesman.

[Later, an evening bulletin on the radio's English-language service, monitored in London, said President Amin had received on Saturday delegates returning from an Organization of African Unity meeting in Angola. No other reference to the Ugandan leader was made, but the radio during the day.] The Kenya News Agency report said diplomats in Uganda had confirmed a purge was going on. There were mass expulsions of people in Kampala and Jinja, 50 miles to the east, and roadblocks on many roads.

Some of the refugees said a number of deaths had been caused by the troops who were making reprisals against people in the area on the Entebbe-Kampala road where President Amin's car was attacked.

According to the agency, a group of senior Ugandan Army officers has crossed into Kenya. They surrendered their arms and asked for political asylum. The size of the group was not indicated but it is thought to number less than a dozen. Michael Horneby writes from Luxembourg: "EEC Foreign Ministers today deplored the 'consistent' denial of basic human rights to the people of Uganda" and agreed to ensure that any assistance given by the Community to Uganda did not prolong the denial of such rights.

The issue of human rights violations by the Amin regime was included on the agenda at the request of Dr David Owen, the Foreign Secretary. Afterwards he said: "We have no dispute about the people of Uganda". There would be no question of stopping food aid, medical assistance or technical help.

The statement by the Council of Ministers was important, he said, because it was the first time the EEC had publicly served notice that it could not ignore human rights questions in the way we dispense aid and help to the developing world. He asked about the fact that the Ugandan President, he replied: "My information is that he is alive and unharmed".



Mrs Audrey Wise, MP for Coventry, South-west, in a police van after her arrest.

## MP arrested during another day of violent Grunwick picketing

By Robert Parker

Further conciliation attempts between the Government, management and union over the strike at the Grunwick film processing laboratories in north London were made last night after another morning of violence which included the arrest of a police officer.

Mrs Audrey Wise, MP for Coventry, South-west, one of the two MPs who recently in committee voted against the Government over tax allowances, was charged with obstruction after protesting to a policeman about the arrest of a girl.

The policeman is alleged by Mr Stanley Thorne, one of eight left-wing MPs who came to observe the picketing, to have said to Mrs Wise: "Never mind, you'll do instead." Mr Thorne said Mrs Wise was hurt by police as she was arrested.

After her release Mrs Wise said: "There was an over-reaction on the part of the authorities. I saw a girl being dragged by the hair and I did not think that should happen." The other MPs were Miss Joan Mainwaring, Mr Ian Mikardo, Mr Ronald Thomas, Mr Martin Flannery, Mr Dennis Canavan and Miss Josephine Richardson. They said they were appalled at the police handling of the pickets and asked the Home Secretary to hold an immediate inquiry.

Other criticism of the police came from lawyers on the scene, including Mr John Platts-Mills, QC. He said the police were preventing the pickets from duties within their legal rights.

With the violent scuffles between police and pickets continuing on for the second week, Mr Booth, the Secretary of State for Employment, last night repeated his attempts to get Mr George Ward, managing director of Grunwick's, to take part in talks.

Mr Ward has already refused because the talks were to have been held at the ministry. He is demanding that Mr Booth come to the factory.

"I want to talk about facts, not these totally unfounded allegations," he said yesterday. Mr Booth, having received a hand-delivered letter from Mr Ward yesterday refusing talks, sent back another in which he said: "You will appreciate that this is a matter of major public concern which, subject only to the Speaker's rulings, is one on which all MPs are entitled to express their views in the House."

"I can only draw the conclusion that you have no intention of accepting my invitation but I would urge you once again to reconsider." Mr Ward said he was particularly angry about a statement by Mr Eric Heffer, Labour MP for Liverpool, Walton, in the House, referring to "those workers who have been working for poor wages in rotten conditions, under a rotten boss who by any standards is still living in the last century".

The violence started again yesterday morning with the arrival of the first bus carrying workers. The bus slowed while a gap was cleared by police and then accelerated.

Some people were forced out of the way and Mr Robert Doyle, in his sixties, was struck by the side of the bus and fell to the ground. He was taken to hospital.

Half an hour later when the bus backed out of the yard and was surrounded by a group of "Scab" police arrested a black picket and there was scuffling all over the road. Mr Mikardo said that the police had arrested the picket for no reason. As far as I can see arrests are being decided in advance.

At a press conference in the House of Commons later, Mr Mikardo, speaking for all eight MPs, again criticized the police and especially what he termed "heavily disguised" policemen in casual clothes.

Two senior Conservative MPs, Mr Barnev Hayhoe, Opposition spokesman on employment, and Mr Adam Butler, parliamentary private secretary to Mrs Thatcher, also observed yesterday's scenes.

Mr Hayhoe said the pickets were seeking to intimidate the workers. The police were doing a tough job under difficult conditions. From his talks with employees, he said they were "reasonably satisfied" with conditions and pay. Meanwhile, the Confederation of Shipbuilding and Engineering Unions, representing three million workers, yesterday gave their full support to the Grunwick strikers. Their annual meeting in Scarborough unanimously voted for a motion deploring "the actions of the police in harassing and arresting pickets and the role played by the National Association for Freedom in its support of the company's action".

Among those arrested yesterday was Miss Pat Arrowsmith, the peace campaigner. She was charged with obstructing the police. Yesterday's report in *The Times* about the dispute stated incorrectly that Mr Denis MacShane, vice-president of the National Union of Journalists, had said his executive would support the picket as long as it went on. In fact, he said support would be given to the strike, not the picket.

Man in the News and Silk demand, page 2

## backs pay int

Under the new law, ministers last night accepting the desirability of a year of voluntary pay claims; but they offered the evidence of their old back pressure.

general council to discuss the out- rages, lasting two years. Mr Healey, of the Exchequer, said the indications of the Whitehall calls a "standing" on pay from the protracted - a firm limit on es, such as the 66 cent ceilings in the last two years only.

urray general sec- TIC, said: "We shed a common scussion and that is that it does not sense to talk of a as we talked of ad two - something elated and right how we get more f at the same time hing taking off on

insisted that the should take action y to anything on e" Reinroduction dies and curbs on ces" in the public istry bulked large s' shopping list. argument: "If the will give some con- vices are going to ver figures than r has been talking will be added agnators to settle le basis." f of two years of re restrains with- mits, the union should be allowed eir self-control. ellor agreed that "quite wrong" to agments to follow comes policy rules of the past two indicated that he disclose figures vernment thought wage increases. ellor is believed e clear to senior he still wants arnings ceiling as urther pay agree-

held out the pos- he might reflate in the autumn if were right. firm action he be- take in the near help to reduce loyment.

o on to reak in with US

Correspondent American govern- were still talking e last night trying disagreement be- vo countries over across the North had threatened to ed flights if agree- reached, but this eded as the talks erday. Mr Collag- was "almost un- at the air services two countries oken. He said he m the negotiators it was close- seemed as if ashington time).

## Mr Callaghan brings left wing into line

By George Clark  
Political Correspondent

With a calm and tolerant speech, Mr Callaghan yesterday appeared to have convinced the left-wingers of his party that it was to their advantage and to the benefit of the Labour Party to line up behind the Lab-Lib agreement.

Addressing a crowded meet- ing of the Parliamentary Labour Party on a minority Labour Government's prospects, the Prime Minister emphasized that the motive of all Labour MPs must be to keep the Govern- ment in power until he con- sidered Labour could win a general election.

It was essential to Labour prospects, Mr Callaghan ex- plained, that Mr Steel and the Liberal MPs should renew the pact with Labour.

No single action by Labour backbenchers could bring down the Government, but a dozen defeats did not leave the Govern- ment's standing unshaken.

I am talking about our own party defeating us in commit- tee," the Prime Minister said. "A continuation of this could deprive me of the initiative of choosing what I think to be the appropriate date for the general election."

"I am asking this party not to place me in a position where the right to select an election

date is taken out of my hands. If we are to win the next election, this is a real possi- bility, this kind of conduct has to stop, not only on the Budget, on the Finance Bill, but on other measures as well."

Any Labour MP with doubts about his or her attitude to- wards future legislation should consult the Government Chief Whip or the Liaison Committee. "I cannot accept that one, two or more people can create these difficulties," Mr Callaghan said. "We must face the reality that our present diffi- culties are not caused by the Conservatives, but by our- selves."

When someone reminded him of the defections of two right- wingers, Mr John Mackintosh and Mr Brian Walden, on the Dockwarré Regatta Bill last year, Mr Callaghan said he included them.

On direct elections to the European Parliament, Mr Callaghan said: "This has not been comfortable for me. I have been criticised, as you know, because of the Bill which have gone, but I regarded it as necessary in order to make the position tolerable."

"On the question of devolu- tion, if anyone feels that they cannot support the Bills which will shortly be produced, then they should go and tell the

Continued on page 2, col 1

## Two crucial meetings for Labour

By Our Political Editor

The life of the Labour Government will be largely determined at two crucial meetings. First Mr Callaghan has summoned the Cabinet to a formal meeting at Chequers on Sunday morning to take a long view that will include the Cabinet's Speech in late October and the durability of its agreement with Mr David Steel and his 12 Liberals.

Secondly, the Liberal MPs and peers who have signed portfolios are to meet on Sunday and Monday to review the working of the agreement.

If Mr Steel reports that he is satisfied that the Government means to honour the letter and the spirit of the pact, an autumn general election is unlikely. If he reports that the Prime Minister has lost con- fidence in his left wing, the pact could end, precipitating an early appeal to the country.

At a meeting of the Parlia- mentary Labour Party yesterday Mr Callaghan appeared to have convinced left-wingers that the Government and the PLP must play for electoral time. He now has to convince the left- wing members of the Cabinet that if the Lib-Lab pact is to endure they must be prepared to compromise on the content of the Queen's Speech.

Continued on page 2, col 1

## Daubings in sex case protest

The Queen Victoria monu- ment in the Mall, London, was daubed with the symbol for the male chromosome four times early yesterday and a Royal Artillery memorial in Horse Guards was also smeared with paint.

The attacks were apparently the work of women protesting at the freeing of Mr Tom Holdsworth, aged 19, of the Coldstream Guards, on a six-month suspended sentence for sexual assault after he appeared before the Court of Appeal. On the Royal Artillery memorial, the protesters wrote: "Women against rape units".

Daubing also appeared out-

side the Law Courts. Painted on a pavement near the Car- rary Street entrance was: "What justice for women? Queen's guard freed. Dismiss the judges." It was visible to judges and lawyers as they arrived at the courts where Mr Holdsworth, of Mount Avenue, Huddersfield, West Yorkshire, was freed.

Mr Holdsworth, who was originally given a three-year jail sentence, seems certain to be discharged from the Army under Queen's Regulations. The Ministry of Defence said: "It is not expected that any exception will be made in the case of Guardsman Holdsworth".

A Commons motion calling

for the dismissal of the judges responsible for freeing the sol- dier has been tabled by three Labour MPs.

The Court of Appeal was not accurately informed on the Army's intentions for the future of Mr Holdsworth, the Registrar of Criminal Appeals says in a letter to *The Times* today.

Master D. R. Thompson, the registrar, also challenges reports of the court hearing which suggested that the Court of Appeal viewed the victim in the case as to some extent bringing her injuries on herself, this being a kind of contribu- tory negligence. The full judg- ment appears on page 13.

Letters, page 17

## Slim chance for Goldsmith plan to save Beaverbrook

By Our Financial Staff

A proposal to enfranchise the non-voting A shares of Beaver- brook Newspapers has been re- jected by trustees of the Beaver- brook family trusts who control the company through holdings of voting capital.

As a result, a plan to save the group, proposed by Sir James Goldsmith, whose Caven- ham food group owns 40 per cent of the A shares, and by Lord Rothermere, appears doomed. Sir James was understood to be demanding full enfranchise- ment as part of his plan to in- ject cash. As the voting capital represents about 11 per cent of the total, that would have given

him more than a third of the votes.

The trustees met at Beaver- brook's head offices yesterday to discuss matters including the voting structure. Hill Samuel, the merchant bank, has been appointed the trustees' financial adviser.

It is thought that the trustees were not prepared to surrender their voting control as that would have left the family with- out a negotiating lever in subse- quent talks with Sir James.

The Beaverbrook board, which had requested the trust- ees to consider enfranchise- ment urgently, is to meet tomorrow.

## Savundra firm creditors may get 30p in £

Some money is to be repaid to mortgagees hit by the collapse over 10 years ago of Dr Emil Savundra's Fire, Auto and Marine Insurance company, as well as the creditors of nine other failed insurance groups. There is up to 30p in the pound available for the 300,000 people that were insured with Fire Auto.

## Test match drawn

The first Test match between England and Australia, was left drawn at Lord's yesterday when bad light stopped play. Australia, needing 226 to win after England were all out for 305 in their second innings, had scored 114 for six with only five overs remaining.

## Connors starts well

Jimmy Connors, the No 1 seed, had an easy victory over Richard Lewis, of Britain, when he made his belated appearance on the centre court yesterday.

## Cold dawn fails to deter druids

Undeterred by an overcast, cold dawn at Stonehenge, 60 druids performed their annual summer solstice sunrise ceremony. A thinner crowd than usual watched from outside the barbed-wire perimeter fence and the druids carried out their ritual against the sound of a rock music concert.

## Threat to BBC

Sir Charles Curran, director-general of the BBC, stated that in the 1960s ministers contemplated removing governors of the corporation in order to secure assent to a proposal that the corporation should take advertising revenue.

## Ethiopia link cut

Five bridges have been blown up on the railway line connecting Addis Ababa with Djibouti and are likely to take three to four months to repair, according to diplomatic sources.

## Mr Beigin in new poll contest

Israelis went to the polls yesterday to elect new leadership for the powerful trade union organization, the Histadrut, as Mr Beigin's new Cabinet took office. The Histadrut could hamper Mr Beigin's right-wing domestic policies if it remains under Labour Party leader- ship.

## EEC ice cream fight

Mr Strang, Parliamentary Secretary at the Ministry of Agriculture, told EEC ministers of agriculture in Luxembourg yesterday that to insist on calling the British variety of ice cream "edible ice", as proposed by the European Commission, would make the Com- munity a laughing-stock.

## Windscale danger: Terrorists might be able to steal plutonium and make a crude bomb, the managing director of British Nuclear Fuels conceded at the Windscale inquiry

Letters 17, 22  
Obituary 19  
Parliament 14  
Sale Room 19  
Science 16  
Sport 10-13  
TV & Radio 31  
Theatres, etc 8, 9  
Tribes 19  
25 Years Ago 14  
Universities 14  
Weather 2

## Leader page 17

Letters: On the case of Guardsman Holdsworth, from Master D. R. Thompson: on tinkering with the constitution, from Professor Nevill Johnson; and on a Soviet spy refused asylum from Mr Nicholas Bethell and Mr M. R. D. Foot.

Leading articles: Unemployment and the economy: Russia: Britain: page 19

Mr James Lomas-Simpson: Miss Geraldine Brooks: Features, pages 8, 16

Kenneth Mackenzie asks if things are as rosy as Ghana's military claims: Bernard Levin on German PoWs: John Robinson, personal column: Eleanor Bloom on the Antarctic: Arts, page 9

David Robinson writes about Hitler—A Film from Germany which suggests that Hitler is a surviving influence on our times: Michael Courch reviews the ITV play *Last Summer*: Sport, pages 10-13

Cricket: Yorkshire back on top in county championship: Racing: Four-day acceptors for Irish Derby: Rugby League: Fielding outfit for world championship final

Business News, pages 20-26  
Financial Editor: Talk of ballooning BP subscriptions: Plessey rejects ideas of a "second force"

Stock markets: In another subdued session the FT Index closed 3.2 lower at 442.0

Business features: Rosemary Brown describes how industry is finding new favour with graduate job-hunters

Business Diary: A descendant of John Donne in the City



## HOME NEWS

# Post Office engineers eject phase three and give warning that they may not honour phase two

From Tim Jones  
Labour Reporter  
Blackpool

The Post Office Engineering Union yesterday rejected a phase three pay deal with the Government and made clear that its commitment to honour the current agreement might crumble if inflation rises rapidly or other workers break the 12-month rule.

In addition, the union will demand more money for a productivity deal when phase two ends on July 31. It will discuss later this week plans to take industrial action unless it obtains agreement on a shorter working week by October 1.

Delegates to the union's conference, whose members do not receive the phase two supplement until next month, also instructed the executive to

negotiate the next pay claim on the basis of keeping pace with inflation, which is running at about 17 per cent.

The phase two proposal to honour the Government's failure to honour its pledges on inflation, employment and prices. One delegate, Mr John Donnelly, said that increasing prices coupled with wage restraint were endangering the structure of the family unit.

Another, Mr Philip Lloyd, called for an immediate pay claim of 20 per cent.

By the relatively slim majority of 70,938 votes, 52,199 the conference cleared the way for its representatives to sit on the board of the Post Office during the two-year experiment in industrial democracy.

Under the scheme, which will be the first of its kind in Britain, the board will be constituted on the basis of seven union, seven management and five independent members.

living standards for our members," he said.

Most of the opposition to phase two was based on allegations of the Government's failure to honour its pledges on inflation, employment and prices. One delegate, Mr John Donnelly, said that increasing prices coupled with wage restraint were endangering the structure of the family unit.

Another, Mr Philip Lloyd, called for an immediate pay claim of 20 per cent.

By the relatively slim majority of 70,938 votes, 52,199 the conference cleared the way for its representatives to sit on the board of the Post Office during the two-year experiment in industrial democracy.

Under the scheme, which will be the first of its kind in Britain, the board will be constituted on the basis of seven union, seven management and five independent members.



Men of the Royal Military Police celebrating their centenary yesterday by parading in uniforms worn between 1877 and the present for inspection by Brigadier Michael Matthews (right).

## Efforts to reconcile Catholics to RUC

From Christopher Walker  
Belfast

An important new effort is being made in Northern Ireland to overcome one of the most stubborn barriers in the way of any long-term political solution to the continuing crisis, acceptance of the Royal Ulster Constabulary by the Roman Catholic minority.

In the wake of the successful handling of last month's abortive "Royal" strike by the police, the Government is hopeful that progress can now be made towards reconciling Roman Catholic politicians to a force which is 90 per cent Protestant.

Until now leaders of the Roman Catholic minority have insisted that a guaranteed position in a devolved government was a necessary condition for their full support of the police. Unionists have argued that unwillingness to give the support was evidence that they did not deserve such a position.

Earlier this week a delegation from the Social Democratic and Labour Party spent more than three hours discussing the situation with Mr Kenneth Newman, the English-born Chief Constable of the RUC, who has been largely responsible for recent improvements in its image and performance.

After the talks, Mr Gerard Fitt, leader of the party, said that although the recent examples of impartial policing had made it easier for the minority

to trust the force, there were still areas of serious concern which had been put forcibly to Mr Newman.

Mr Fitt cited the repeated allegations of brutality against RUC members in two Ulster police stations. Although conceding that the Provisional IRA was conducting a propaganda war on the subject, Mr Fitt maintained that there was sufficient uncertainty about methods of police interrogation to warrant an inquiry.

A second reservation was the failure of the RUC to prosecute members of its force named in the proceedings that led to the recent torture hearings before the European Court of Human Rights in Strasbourg.

"Those people are still in the force and it is unrealistic to expect the minority population to have any faith in such persons," Mr Fitt said. Other areas of concern raised by the delegation included the RUC complaints procedure and the method for recruitment into the RUC reserve.

Mr Fitt said the party believed that at present many of the recruits "would bear a great deal of animosity towards the minority population". He went on to attack the alleged failure by the police to solve sectarian disorders in country areas outside Belfast.

Mr Fitt claimed that the chief constable had promised to look into the whole question of lack of trust for the police among the party and its supporters.

## No question of martyrs, Mr Silkin says

Mr Samuel Silkin, the Attorney General, said yesterday of the Grunwick dispute: "Let no man speak of martyrs. There will be no martyrs."

Picketing which aimed to terrorize was neither lawful nor democratic, Mr Silkin told a one-day London conference on industrial relations and law. On the other hand, peaceful picketing was part of the tradition of the industrial system. It was "the opportunity for peaceful persuasion".

"That is how responsible and respected trade union leaders like Mr Roy Grantham (the Apex leader) regard it. That is how responsible trade unionists wish to use picketing and that is how for long periods in this dispute it was used."

"But picketing which is not peaceful is not lawful. Picketing the aim of which is not to persuade but to terrorize is neither lawful nor democratic."

Mr Silkin said there were those who would turn a peaceful dispute into a violent series of battles. "There are those at both political extremes who see in disputes such as this one the opportunity for undemocratic and dangerous ends and so fasten on to a peaceful dispute."

"If in consequence violence results, if in consequence the police and the courts do their duty as they must, let no man speak of martyrs."

Mr Silkin said he would not comment on the merits of the issue. "But I am entitled to express the hope that the good offices of Mr Booth, the Secretary of State for Employment, will be willingly accepted by both sides and that a true spirit of compromise will prevail."

The situation was dangerous and one "for playing politics". Mr Silkin emphasized that his remarks did not refer to any of the arrests which had taken place or to any cases now under consideration or before the courts.

## Man in the news: Mr Ward sees clash as question of rule of law

### Owner of Grunwick says he will never give in

By Robert Parker

Mr George Ward, owner of the Grunwick film processing plant, considers that every manager and businessman in the country is suffering under present conditions.

It is getting increasingly difficult to run a business because of the activities of unions and their operation outside the law, he said in an interview with The Times. He regards the dispute in and outside his factory in north London simply as a question of the rule of law and of preventing union bullying.

Mr Ward, who is 44, started Grunwick in 1965 after leaving an accountancy partnership in the City. It has grown to one of the largest processing companies in Britain, employing 450 people last summer. There are now about 260 employees.

"I have more than fulfilled my ambitions in respect of the company," Mr Ward said. He admits he is an obstinate and determined man. "That is how the company is what it is."

"I shall never give in to this sort of thing," he said, pointing

through his office window to the chanting pickets outside, who appeared just as determined to get Mr Ward to allow the Association of Professional, Executive, Clerical and Computer Staffs (Apex) to recruit from the factory.

Mr Ward defiantly demands to know whether he has acted illegally. He says he was entitled to dismiss the 137 people who came out on strike last August over the dismissal of somebody whose work was "unsatisfactory".

He defends his refusal to go to meet Mr Booth, Secretary of State for Employment, who has been trying to organize conciliatory discussions and demands that the minister should visit the factory.

"I want to talk about the facts, and it would be impossible to do that in Mr Booth's office," Mr Ward said. "Mr Booth has to see for himself that all this rubbish that some ministers and Labour MPs have been talking about rotten conditions and the nineteenth century is not the case."

Grunwick has been picketed for the past 44 weeks. In the past two weeks action has been organized on a large scale. Ever since the trouble began, Mr Ward has stocked the premises "up to the gunwales" and erected defensive gates and barbed wire.

"We can last out until the cows come home," he said. "We shall never give in, and they will not be able to force us."

Mr Ward sprinkles his arguments with Latin quotations, and religious, historical and even marital analogies. He says Apex is like the husband whose wife has been granted a divorce but who still demands to see her.

"None of my employees wants anything to do with Roy Grantham (the secretary of the union). If you do not believe me, go and ask." Certainly there is no sign of a wish to join the union among those left in the factory.

"So many demolition jobs have been done on me in the press that I am starting not to worry any more," Mr Ward

said. "It does not really bother me what you write."

His father, a prosperous man with a railway company in India, lost his money on the Stock Exchange. Mr Ward obviously takes pride in the fact that he has made his own success.

He came to England, where he studied at the Regent Street Polytechnic, then qualified as an accountant. He worked in Rio de Janeiro for three years. "I came back to England for a holiday, but I was offered an accountancy partnership."

He feels that Grunwick got too big to avoid the attention of the unions.

"Only if we lose the High Court case [where his company is challenging a report by the Advisory, Conciliation and Arbitration Service saying that Apex should be 'allowed'] will we accept the union. I accept the rule of law and will abide by the court's decision, but I do not think we shall lose. Even if we do, I shall never renege on the 137."

## Unions involved refuse to be thrown off the scent

By Christopher Thomas  
Labour Reporter

The trade union movement has found its newest cause célèbre in the 10-month strike at the Grunwick film-processing laboratories in Willesden, north London. The most surprising thing is that it took so long.

Practical and moral support is rolling in from all over the country to the London office of the usually moderate Association of Professional, Executive, Clerical and Computer Staff (Apex).

The union is still dazzled by the glare of publicity, since the former National Union of especially powerful institutions of the front line of anything so grand.

Until recently Apex has had little help from the rest of the trade union movement, and has alone met the £2,700 a week the dispute is costing. But

with a sudden fervour the fraternal hands have united in a fight to the death. "We will close the firm before we give up," Mr Roy Grantham, Apex general secretary says.

The issues involved strike at the heart of trade unionism. The dispute originally involved just over a hundred people of Asian descent (the number has since diminished) who were not unionized when they were recruited. A small number of Apex members in working normally, the grounds that Apex had included in an attitude survey those people, who were no longer employees of the firm.

Mr Laurence Pavey, MP for Brent, South, has described the firm as a sweat shop with a management which could have been lifted straight out of the Dickens era. The strike leaders marched into the annual conference of Apex last month and delegates contributed £1,000 from their own pockets.

The strikers spoke to the conference of compulsory over-

time, sacking without notice, £28 wages for a 40-hour week, no holiday pay and dismissal for joining a union. Women, it was said, had to raise their hands for permission to go to the lavatory. They said that things had improved only marginally.

The only direct contact with the management Apex has had in 10 months has been a hurried 10-minute meeting in the yard between a junior management man and one Apex official. Mr George Ward, managing director of Grunwick, on Monday refused to talk to Mr Booth, Secretary of State for Employment, at a meeting with Apex leaders.

The next few months are critical for Grunwick's seasonal business and Apex believes that the company is already in financial trouble. The unions have found the scent and say they will not give up. Their biggest obstacle is the fact that Grunwick has managed to recruit other Asian workers.

time, sacking without notice, £28 wages for a 40-hour week, no holiday pay and dismissal for joining a union. Women, it was said, had to raise their hands for permission to go to the lavatory. They said that things had improved only marginally.

The only direct contact with the management Apex has had in 10 months has been a hurried 10-minute meeting in the yard between a junior management man and one Apex official. Mr George Ward, managing director of Grunwick, on Monday refused to talk to Mr Booth, Secretary of State for Employment, at a meeting with Apex leaders.

The next few months are critical for Grunwick's seasonal business and Apex believes that the company is already in financial trouble. The unions have found the scent and say they will not give up. Their biggest obstacle is the fact that Grunwick has managed to recruit other Asian workers.

## Man in Ulster hospital alleges assault by police

From Our Correspondent  
Belfast

The solicitor representing Mr Peter McGrath, aged 64, of Cookstown, who was taken to hospital in Belfast while in police custody, said yesterday that he was taking action on the grounds of false imprisonment and assault.

Mr McGrath, who was detained for questioning in connection with the identity of gunmen who murdered three Royal Ulster Constabulary officers in Co Tyrone more than a fortnight ago, was released from police custody and transferred to hospital in Omagh.

On Monday his solicitor applied for a writ of habeas corpus. Yesterday he was informed that Mr McGrath was no longer in police custody. Life sentences, two members of the Provisional IRA were given life sentences in Belfast yesterday with a recommendation that they should serve a minimum of 20 years for their part in the bootlegger murder of a part-time member of the Ulster Defence Regiment (the Press Association reports). They were also given sentences of 18 years, to run concurrently, for the attempted murder of another part-time UDR man.

Mr McGrath said he was not commenting on the merits of the case. "But I am entitled to express the hope that the good offices of Mr Booth, the Secretary of State for Employment, will be willingly accepted by both sides and that a true spirit of compromise will prevail."

The situation was dangerous and one "for playing politics". Mr Silkin emphasized that his remarks did not refer to any of the arrests which had taken place or to any cases now under consideration or before the courts.

## 'Labour governs or goes'—Mr Callaghan

Continued from page 1

lance committee or the Chief Whip."

There was some debate later about whether the Prime Minister had referred to "Bills" or "Bill" but those who made a note of the reference said it was in the plural, and that had great significance for a Bill on devolution for Wales. Many on both sides of the Commons would say that if Wales is separated from Scottish legislation, its chances of getting an elected assembly are slim.

"Either the Government governs, or it goes," Mr Callaghan said with great force. "Devolution is a clear commitment, devolution goes on. If not, other consequences will follow."

Pulling himself up at that point, the Prime Minister said he hoped to one day say he was angry. He was not angry. He was speaking from pique. He spoke with the utmost good will.

There were other reasons why the Government should stay, Mr Callaghan said. Examples were the improving economic situation, the stability of sterling, the possibility of stabilizing prices towards the end of the year, the prospect of inflation coming down to manageable proportions and the balance of payments position.

"If we get a reasonable wage settlement now, then the prospects for this country are better than they have been at any time since the end of the war," Mr Callaghan said. Noting a point made by several speakers that control over prices was important, he said: "The best way of controlling prices is by reducing inflation."

He said, however, that even though the economy would be infinitely improved next year there would still remain one major flaw, a high level of unemployment. That was a matter of great concern to the Government, and ministers were considering how to deal with it.

Against that background, the next election, a higher degree of responsibility from some members, Mr Callaghan said.

"I dearly want to win the next election for the sake of the country. We can achieve that only if we receive full support for all government measures from a united PLP. I look to every MP to support the Government or to tell the Chief Whip now that he is not prepared to do so."

Earlier, Mr Callaghan had reminded his backbenchers that the Commons was not a convent and they could not ignore what took place outside. Everyone must realize that strenuous

attempts were being made "to bounce us out of office."

Mr Alex Lyon (York) said there was no majority in the House for controversial legislation and it was essential for the Government to concentrate on the economy and the standard of living. The party should discuss how to curb prices, especially in the nationalized industries.

Mr Kenneth Lomas (Huddersfield) said members of the EEC was brooding on the United Kingdom: members of the Cabinet who opposed the direct elections Bill should resign.

Mr Jack Ashley (Stoke-on-Trent) said: "Too many people were trying to have it both ways. They complained about inflation, then argued for reflation; some were against wage restraint, but still argued for a price freeze. Some condemned the Labour-Liberal pact, but they did not want an election now."

He thought these people were engaged in "the politics of paradoxes."

Replying to the debate, Mr Callaghan said the devolution proposals: "When a major Government policy has been included in the Queen's Speech and repeated time after time, it must be supported by the party as a whole."

## Rule of law crucial issue in postal case, QC says

By Craig Seton

It was astonishing and exceptional that Mr Silkin, the Attorney General, had decided not to proceed through the courts to stop a threatened ban on postal links with South Africa, Mr Christopher French, QC, told the House of Lords yesterday.

He added: "The fabric of society is endangered if anyone, especially powerful institutions or large bodies of people, can set out to disobey the law unchecked."

The House is hearing appeals by the Attorney General and two postal unions against a ruling by the Court of Appeal in January that Mr John Gouriet, administrative director of the National Association for Freedom, was entitled to a temporary injunction to stop a threatened ban on postal links with South Africa and a declaration that such a ban would be illegal.

Mr Gouriet brought proceedings against the unions when the Attorney General refused to lend his name to the action. Mr Silkin contended that Mr Gouriet was not entitled to a declaration or a temporary injunction once he had declined to give consent to the proceedings.

Mr French, for Mr Gouriet, said the central and crucial issue was the rule of law: whether when a widespread breach of the law was threatened the Attorney General had

the right alone to decide that the civil courts should or should not be in a position to exercise their discretion to make a declaration or grant an injunction.

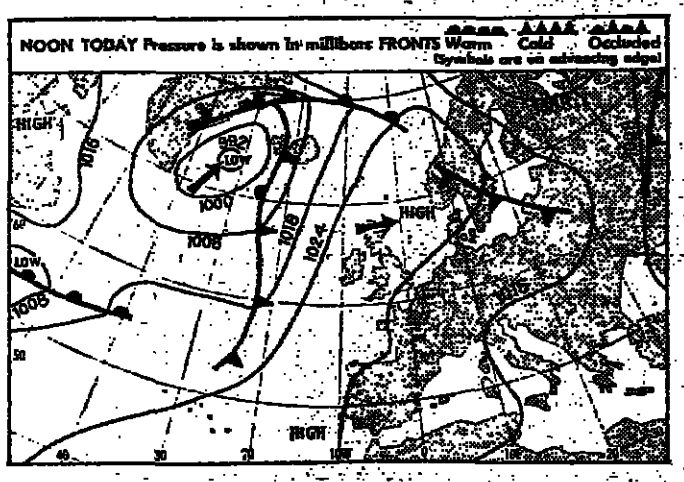
He submitted that the court had such power, but it would be for the Lords to decide as a matter of principle rather than as a matter of discretion. The public interest prima facie required that it should be clarified.

Widespread damage and inconvenience to the nation, he said, should be prevented, if possible, where the normal criminal processes were powerless to do so.

Speaking about Mr Gouriet's right to obtain relief through the courts, Mr French said it was open to the Lords to find that someone in Mr Gouriet's position as a matter of principle should have locus standi. If it was necessary for him to do so, to establish locus standi, Mr Gouriet would submit that he had it as one entitled to use the facilities provided by the Post Office without interference by any third party.

The hearing continues to-morrow.

## Weather forecast and recordings



**Today**  
Sun rises: 4.43 am. Sun sets: 9.22 pm.  
Moon rises: 12.3 am. Moon sets: 12.3 am.  
First Quarter: June 24.  
Lighting up: 9.52 pm to 4.14 am.  
High water: London Bridge, 6.2 am, 6.5m (22.5ft); 6.3 pm, 6.7m (22.1ft).  
Low water: London Bridge, 12.1 am, 1.9m (6.2ft); 12.3 pm, 1.2m (3.9ft).  
Dover, 3.4 am, 6.0m (19.6ft); 3.24 pm, 6.1m (20.0ft).  
Gull, 10.10 am, 6.5m (21.2ft); 10.57 pm, 6.3m (20.7ft).  
Liverpool, 3.11 am, 8.6m (28.2ft); 3.44 pm, 8.2m (27.0ft).

**POLLEN COUNT:** The pollen count issued in London yesterday by the Asthma Research Council was 5, very low.

**A ridge of high pressure is** slow-moving over the British Isles, with a slack NE gradient over much of England. Wind: variable, light; sea smooth.

**Forecast for 6 am to midnight:**  
London, E Midlands: Dry, cloudy, sunny periods later; wind N, light; max temp 18°C (64°F).  
East Angles, E England: Dry, cloudy, sunny periods later; wind N, light; max temp 18°C (64°F).

**WEATHER REPORTS YESTERDAY**  
f, fair; r, rain; s, sun.

Area	Temp	Wind	Cloud	Drizzle
London	14.0	1.0	1.0	1.0
Edinburgh	10.0	1.0	1.0	1.0
Glasgow	10.0	1.0	1.0	1.0
Belfast	10.0	1.0	1.0	1.0
Cardiff	10.0	1.0	1.0	1.0
Manchester	10.0	1.0	1.0	1.0
Sheffield	10.0	1.0	1.0	1.0
Leeds	10.0	1.0	1.0	1.0
Birmingham	10.0	1.0	1.0	1.0
Nottingham	10.0	1.0	1.0	1.0
London	10.0	1.0	1.0	1.0
Edinburgh	10.0	1.0	1.0	1.0
Glasgow	10.0	1.0	1.0	1.0
Belfast	10.0	1.0	1.0	1.0
Cardiff	10.0	1.0	1.0	1.0
Manchester	10.0	1.0	1.0	1.0
Sheffield	10.0	1.0	1.0	1.0
Leeds	10.0	1.0	1.0	1.0
Birmingham	10.0	1.0	1.0	1.0
Nottingham	10.0	1.0	1.0	1.0
London	10.0	1.0	1.0	1.0

## Pageant for the Queen on edge of slum site

From Penny Symon  
Liverpool

As the Queen watched a musical pageant in Hope Street, Liverpool, yesterday she could also have seen, if she had glanced to the left, one of the city's most derelict and neglected areas.

The pageant began in the Roman Catholic Metropolitan Cathedral, continued in separate scenes in Hope Street, and concluded in the Anglican Cathedral. Hope Street runs parallel to Liverpool 8, a derelict area for which there have been several plans to turn into something more attractive but they have all foundered through lack of finance. But one subject on which all the political groups in the city agree is that the derelict and depressing area should be thoroughly refurbished.

Over 10 and 11-year-old Liverpool's schools, 17,000 children, took part in the pageant, the music for which was composed by Mr Malcolm Williamson, Master of the Queen's Music. It was based on Psalm 23 and was in four parts, corresponding to the four seasons, and divided into eight scenes.

The first took place in the Metropolitan Cathedral, after the singing of Sir John Bayle's hymn, the music for which was also composed by Mr Williamson.

The Queen was 40 minutes late arriving in Liverpool because the royal car had a breakdown and a large crowd thronged round it.

Earlier 20,000 people, including a horde of athletic performing schoolchildren, packed Stockport County's football ground at Edgeley Park. The ground, which had been given a state of repair, had not seen such crowds for a long time, as the team usually attracts only about 4,000 spectators.

The Queen then visited an aromatic garden for blind people in the Queen's Recreation Ground at St Helens. The garden contains more than 100 varieties of sweet-smelling flowers with their descriptions in Braille. It was constructed by eight young people on a government job creator scheme and financed jointly by St Helens Metropolitan Borough Council and Pilkington Brothers. The Queen planted a silver birch tree with the same spade with which George V planted an oak tree in the town's Victoria Garden in 1901.

Today, the Queen begins three-day visit to Wales.

## 173 sheep and lambs stolen

East Midlands police were searching yesterday for raiders who stole 173 sheep and lambs during the night with the help of a sheepdog and took them away in a lorry.

The sheep worth about £5,000, owned by M Geoffrey Gibby, aged 34, of Dishley Farm, Dishley, north Leicestershire.

## Girl trapped in crash

A girl escaped with cuts and bruises when she was trapped in an Automobile Association cabin that was crushed by a lorry on the M2 at Farnham, Surrey, near Rainham, Kent yesterday.

## Prime Minister presses for compromise

Continued from page 1

He has also to establish agreement, or at any rate tactical agreement, that three Bills in next session's prospect will have to meet Liberal demands: the Bills on devolution of Westminster powers to Scotland and Wales, on direct elections to the European Parliament (with an element of proportional representation in a regionalist system), and on the modified Bullock proposals for worker-directors in industry.

In short, the Cabinet, like the PLP yesterday, is being asked by the Prime Minister of a minority Government to settle for half a loaf because the whole loaf is unattainable without a general election.

Mr Callaghan's strongest argument is that no Labour MP in the Cabinet wants to carry the responsibility for forcing the Government into a disastrous early general election. On the other hand, some Cabinet ministers and rank-and-file leaders want to be free to pursue their interest in the Labour conference in Brighton early in October.

Consequently, Mr Callaghan's choice is between timing a general election for the autumn, to obliterate all three party conferences, which might make his position worse, or soldiering on into 1978, when the economy begins to improve with the flow of North Sea oil, a sounder balance of payments, lower inflation and reduced unemployment.

Nevertheless, if Mr Callaghan decides to try to hold on into a full parliamentary session he may find himself increasingly at the mercy of the block of 13 Liberal votes in the Commons.

## Steps proposed to save otters

The working group set up by the Nature Conservancy Council and the Society for the Promotion of Nature Conservation want Britain to adopt a plan to save its otters.

The group suggests havens for otters and some limitation to recreational activities on waterways suitable for otters.

## Changes in legal aid lists urged

The Legal Action Group is calling for changes in the legal aid referral lists set up by the Law Society last year.

The group says the lists give no guarantee that the firms mentioned have any expert experience in the fields mentioned.

ers ph  
ne gove  
chief a



## HOME NEWS

## Ministers planned to move governors, 3C chief asserts

With Coaling, director of the BBC, said last night he had good reasons for that government's removal of governors of stations in order to assist to a proposal that should take advertising

kind of pressure," he ought to be excluded there is overwhelming in behind it." Welton, Annan committee's pro-removal of governors subject to a parish-affirmative vote, said: "Every step be taken to reinforce the independence of the board members."

Charles dropped a hint rhyming with "have in the organization." The first Granada Lecture he said: "There is one particularly area where I think we change our ways. That is the matter of grading, action of levels of responsibility to different functions of staff."

were the pioneers, years ago, of grading us among disparate work in a creative ion. I believe that we are too far in seeking and have consequently ourselves trying to make judgments, involving position in disputes routine issues instead broad differentials."

Two that we shall have some of the grades legitimate them in order being caught up in ears to be bureaucracy is, in fact, a search for fairness, which is not attainable."

Charles also made a reference to the licence fee, in connexion with the proposals for local e cost of a full system for England, he said be 65p on each

licence, of which 30p would be new money. An additional 15p on each licence would pay for 20 community stations envisaged for Scotland, Wales and Northern Ireland.

"Does that sound exorbitant?" he asked. "Does it create an impossible strain for the BBC, or for the licence payer? Look at the price of The Times or The Guardian or The Sun. Look also at the amount by which they have gone up. Ask your newspaper."

It had been suggested that the licence fee was becoming progressively less acceptable as the amount rose at more frequent intervals and more steeply. The overwhelming factor was inflation. But inflation would have to continue at a very high level to provide an argument for regarding the licence fee as unviable.

That is not an assumption which anybody calculating the future of this country can possibly accept. On the proposal in the report of the Committee on the Future of Broadcasting, chaired by Lord Annan, to remove local radio from the BBC and the Independent Broadcasting Authority, Sir Charles said that although the transfer of local programming to a new commercial revenue would reduce the expenditure chargeable to the licence income, such a change would in no way reduce the amount of national economic resources allocated to broadcasting.

"In fact, the proposal to switch local radio from the BBC would increase the amount of resources allocated to broadcasting because the BBC would certainly have to retain its own news-collecting capability, in local radio areas in order to provide contributions to its national and international news services."

"That would be true whether we paid somebody else to do it, or as we should infinitely prefer, we decided to do it ourselves."

## Pause in another battle between moderates and extremists

## Peace rearing its head in the Poetry Society

By Philip Howard

The Poetry Society meets on Saturday to elect new members of its general council. For the past three years the occasion has been notable more for a clash of symbols, requiring the attention of a war correspondent rather than a lover of poetry. However, the latest report from the front line suggests that peace is breaking out and that the society is on the mend.

At last June's elections the newly formed Poetry Action Group, consisting of five long-standing and distinguished councillors of the society, managed to persuade members to elect seven liberals to the council to oppose the revolutionary modernists, experimentalists and other extremists.

Since then a bitter battle has been fought to save the Poetry Society from coming under the rule of a group that wanted to promote a particular school of poetry.

Last summer the Arts Council appointed its deputy chairman, Sir John Witt, and two members of its Literature Panel to assess the society. The Witt committee reported in October, giving the society 18 months to put its house in order and making some stringent recommendations.

They included tightening the administration, employing new staff, broadening the scope of the society's artistic programme, and ending internal dissension. Its main financial recommendation was that the society's grant, subject to an end to internal dispute, should be raised from £24,000 to £54,000.

The extremists could not stomach what they regarded as dictation by the Arts Council. They determined on the acrobatic feat of committing financial harakiri while at the same time hitting the hand of the Arts Council that fed them. Over the past six months the zealots on the council have walked out.

At one time the Poetry Action Group found themselves the Last of the Mohicans. All the other moderate pluralists had been removed by the extremists packing poorly attended elections, or had resigned in disgust. The Poetry Action Group stuck it out, because they believe that the Poetry Society is the main institution capable of fulfilling national objectives for poetry.

They point to its excellent work in schools, arts centres, and the regions. They emphasize

its role as a platform for known and new poets of all kinds, and they show that the largest part of the society's grant goes directly to poets, who are the least rewarded group of artists.

Since the extremists decamped, the remaining moderate pluralists have implemented most of the Witt committee's recommendations. Its main case of concern, internal discord, has ceased.

The Poetry Action Group is sending a letter to all members of the society recommending a strong list of moderate and pluralist candidates for election by the society's members on Saturday. If members follow its advice, the troubled affairs of the society may at last cease to bring poetry into farcical dispute, and the war correspondents will be able to pack their kitbags and leave the society in peace.

## Thames flood plans to give earlier warning

By Stewart Tendler  
Home Affairs Reporter

Nearly eighty local authorities and public bodies are revising plans in London to cope with the possibility of the worst predictable peacetime emergency Britain could face, a Thames flood.

Until 1981, when a series of defences based on a barrier should be complete, London remains vulnerable in the period of seasonal high tides between August and April each year.

Last year the Greater London Council estimated that 45 square miles of the capital, 250,000 homes, might be at risk, not to mention industrial plant and the centre of Britain's government.

The reason for the revision of the warning system is a government decision that London's population should be given an earlier warning of risk than in the past.

Since 1968 a flood warning system for London has been in operation, based on the Meteorological Office's centre at Bracknell, Berkshire. Data are gathered from tidal gauges along the east coast and experts calculate what a storm in the far north of Britain might mean for London.

The sort of pattern they are watching for is a depression on the west coast and Scotland moving into the North Sea, creating a storm surge. High winds would push the surge south until it reached the Thames, joined a high tide and swept into the city.

Bracknell would issue its first warning to London 13 hours before high tide at London Bridge. There would be further notifications at the seven and five-hour stages and at four hours the police and local authorities would start to take precautions.

Three hours before high tide emergency services would go on alert. Police would man prearranged points to divert traffic.

An hour from high tide in London, if the surge was passing Southend and the omens were bad, 80 sirens in London would start howling and the public in risk areas would be advised to take to high ground or above street level. Old and handicapped people at risk in low-level areas or basements would have been evacuated and transport services such as trains stopped.

The new warning plan envisages a public alert four hours before any flood. Discussions taking place will decide how it should be given. The sirens are likely to remain silent until the final hour, thus the first public warning will probably go out over local radio and television and in the London evening newspapers.

A new batch of information posters and leaflets are being prepared to keep people aware of the risk.

There is also the question of London's commuters. At four hours' warning it should be possible, depending on the time, to get people out of the capital or stop them coming in. The plans envisage warnings at commuter stations round London or using telex to reach 13,000 companies and get them to send staff home.

Apart from instituting the four-hour warning, changes will be made in the other plans for activating emergency services. They are likely to start working after a six-hour warning.

If that all seems unlikely, it should be remembered that 200 years ago tides rose to less than 14ft at London Bridge but 100 years ago they reached nearly 16ft. The threat of flooding is on a vast scale then before because south-east England is sinking slowly. At the same time central London is sinking into its clay bed.

In 1928 people were drowned when flood water covered parts of central London, including Millbank.

## Survey to raise standards in mental hospitals

By Our Social Services Correspondent

Four out of 10 mentally handicapped people in Britain's long-stay hospitals have to sit all day with nothing to do, the Mental Handicap Week conference was told yesterday in London.

Mr. Moyle, Minister of State for Health, told the conference, organized by the National Society for Mentally Handicapped Children, that most hospitals had been transformed since 1963, when minimum standards of space, privacy and environment were first set. But much remained to be done, and he was disturbed by reports of the conditions still existing in some hospitals.

That was why he had asked the National Development Group for the Mentally Handicapped to carry out a study of mental handicap hospitals and advise ministers on how standards could be improved in the

short term with existing resources. He hoped the study would be completed early next year.

Professor Peter Mittler, chairman of the group, said the national average of four out of 10 mentally handicapped people in hospitals with no industrial activity on the wards, no social education or even recreational facilities, obscured the worse figures for some hospitals. In one, nine out of 10 patients had nothing to do each day.

He urged members of the conference to become active locally and discover what facilities were provided in their hospitals for the mentally handicapped, as well as pressing for more patients to be released into the community.

He emphasized the need to remove the 4,500 children under the age of 15 from such hospitals, but pointed out that provision for them in the community had stood still for the past seven years.

## Minister puts pressure on Tameside over schooling

Mrs Williams, Secretary of State for Education, has given the Conservative-controlled Tameside education authority

until July 12 to submit details of how its plans to adopt comprehensive education are progressing.

Tameside, in Greater Manchester, was the only authority that failed to meet the six-month limit, which ended in May, set by Mrs Williams for the eight authorities who had not submitted their plans for comprehensive schools.

In a letter to the education authority yesterday, Mrs Williams says she welcomes the council's intention, set out in a letter of May 20, to comply with the Education Act, 1976, but she is "perturbed" by their failure so far to submit their proposals.

Mrs Williams says that she now wishes to receive, within seven days of a meeting of Greater Manchester Council on July 3, a report describing in detail progress made.

## Ultrasonic device 'gives Britain 18-month lead'

A British company has developed an ultrasonic scanner giving a three-dimensional picture which, it claims, represents an 18-month technological lead in such aids to medical diagnosis.

Sonicaid Ltd, of Bognor Regis, Sussex, says its machine should help to extend ultrasonic investigative work, now commonly used to monitor a child in the womb, further into such internal organs as the pancreas, the liver and kidneys.

The Multiplanar Ultrasonic Scanner costs £42,200. Its three-dimensional presentation of its scan on a television screen is a result of three years' research.

The company has sold one machine in Britain and three in Spain. It has sent one machine to King's College Hospital, London, one to Northwick Park Hospital and two others to the United States and Germany.

## Student rebates

We regret that processing of recent applications for student rebates has been held up by a clerical dispute which is now resolved. Strenuous efforts are being made to deal as rapidly as possible with the backlog of correspondence. We apologize to students concerned for this delay.

## Move on miners' benefits

By Ronald Kershaw

Thousands of coalminers whose homes are either rent free or rent subsidized may be called on to pay tax on such benefits. The National Coal Board has sent a letter to the mining unions informing them that in the light of the Finance Bill now before Parliament rent concessions are being looked at by the Inland Revenue.

A coal board spokesman said last night that the coal board was trying to sell off its houses either to mining tenants or to local authorities. At the top of the range, however, rents for

modern houses equated with those charged by local authorities.

He said: "This situation has existed since 1963, when the Finance Bill of that year was introduced, but it was within the purview of the Inland Revenue to waive a tax on such benefits by declaring that these houses were under occupation directly because of an occupant's job."

A spokesman for the Inland Revenue department said the provisions in the Bill were for general application. Exceptions might occur, however.

## Pension books charge

Richard Hughes, aged 23, of Colindale Lane, Brixton, London, was remanded in custody until next Monday by magistrates at Camberwell, London, yesterday on charges arising from the theft of 1,200 pension books from a South Norwood social security office.

## Child has polio

A case of poliomyelitis was confirmed in Essex yesterday. The patient, a girl aged four from Rayleigh, was taken ill earlier this month while visiting relatives at Harold Wood, where she is in hospital.

## Bishop of don

Geoffrey Stuart Snell, formerly director of the Organizations Research try Trust (Africa), has been Bishop Suffragan in succession to the John Hughes, who died in 1968. He was called to the Bar. He became curate of Northwood, diocese in 1962. The bishop, founded in 1968, advises management and administration of churches and other organizations.

## Heart disease rise against world trend

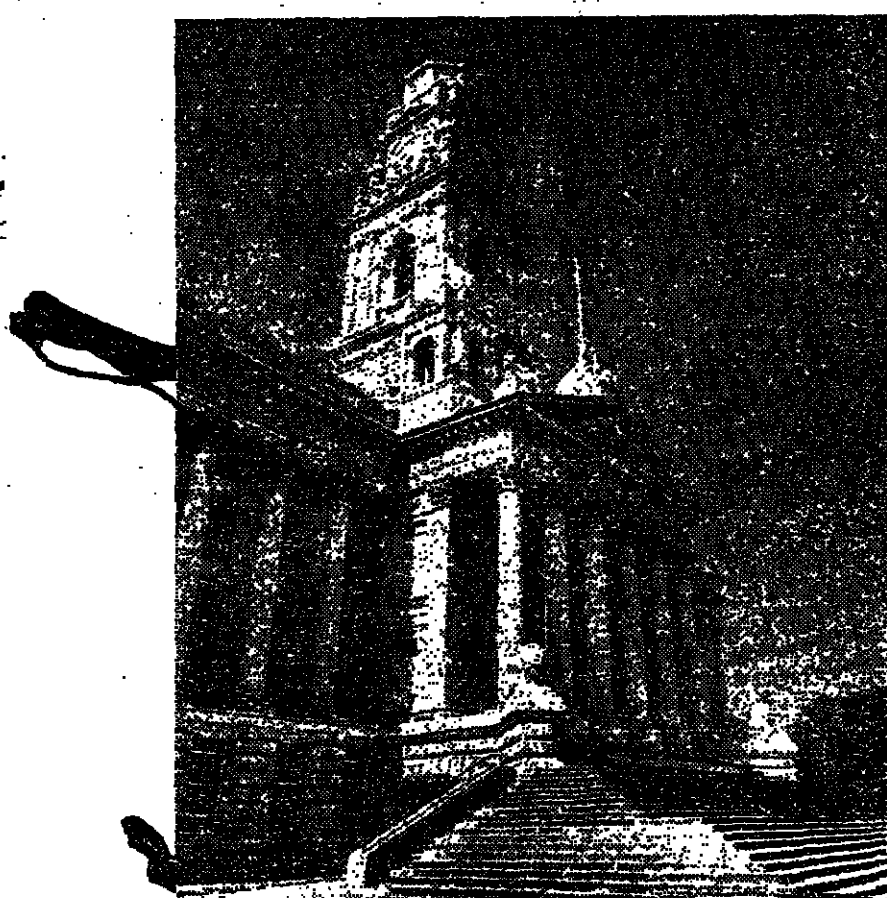
By Our Medical Correspondent

Mortality from heart disease is continuing to rise in Britain although it is falling in the United States, Finland, New Zealand and other western countries. The explanation lies in differences in public concern about health. Professor Jerome Stamler, head of the Department of Community Health at North Western University, Chicago, said in London yesterday.

In the past seven years deaths from heart disease had dropped by a fifth among middle-aged American men; in Britain they had risen in the same age group. Professor Stamler attributed the improvement in life expectancy in the United States to better understanding there of the factors responsible for coronary thrombosis.

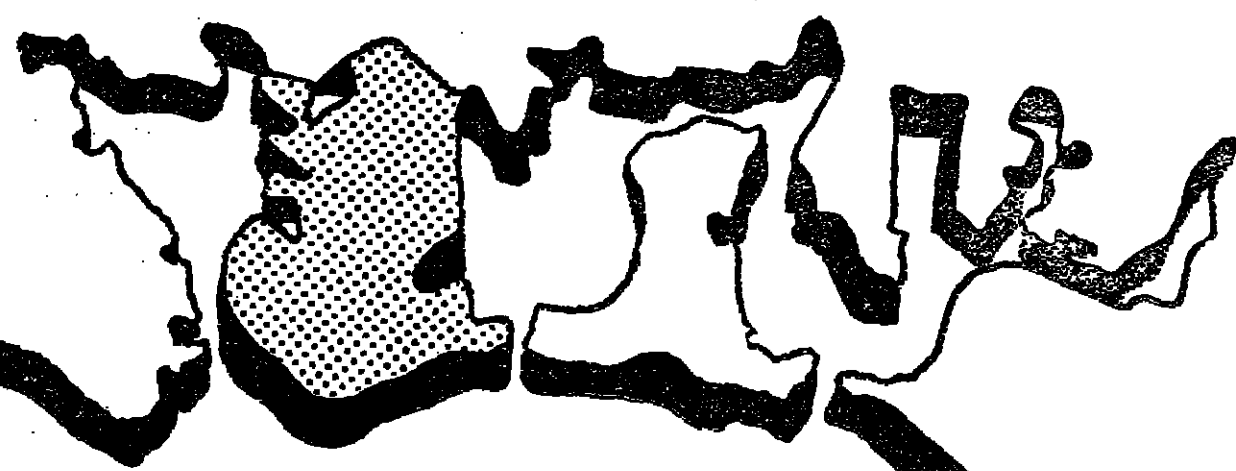
Fewer American men smoked now than in the 1960s and American families ate less butter and milk, fewer eggs and more margarine. A recent survey had shown, he said, that two fifths of Americans had made changes in their diet on health grounds. Compared with 10 years ago, three times as many persons with raised blood pressure were receiving treatment. Other factors that might have contributed to the improvement included better medical care and the depressed severity of influenza epidemics in recent years.

## PORTSMOUTH



"a dynamic, thrusting and purposeful  
City moving forward economically and  
socially—which has moved into a new era  
with new hope and new direction"

Richard Sotnick  
Leader of the City Council in his Annual Statement  
5 April 1977



City of the South



# \*Libya

## 1

### We've expanded again!

Libya 1 (the unique Libyan Arab Airlines Service to and from Libya) offers an important addition to its London-Libya service. There are now two extra flights each week, London-Rome-Benghazi with the option of getting on or off at Rome. Here are the details:-

Tuesdays and Thursdays (all local times).  
**London-Rome** depart 14:15 **Benghazi-Rome** depart 08:45  
 arrive 17:25 arrive 10:50  
**Rome-Benghazi** depart 18:15 **Rome-London** depart 11:50  
 arrive 20:15 arrive 13:05

This is all part of a continuous programme of development which has trebled the size of the airline in three years.

The fastest, easiest, most relaxing way to fly to or from Libya is by Libyan Arab Airlines.

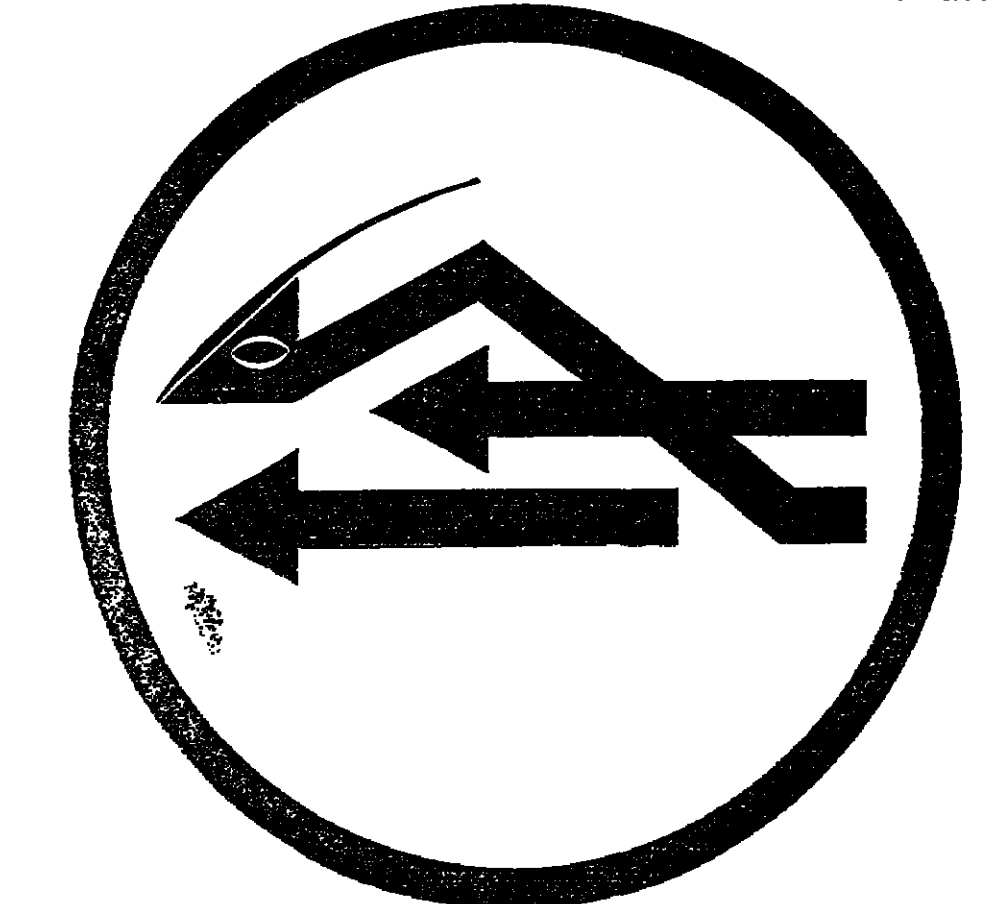
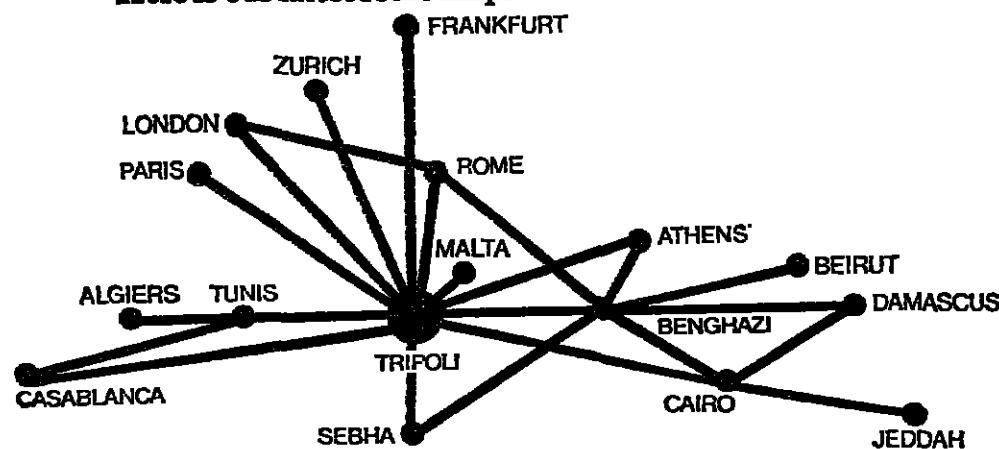
Arrival and departure times are designed for the utmost convenience of businessmen and others.

There are excellent onward services from Libya to the Middle East, North Africa, and other destinations in Libya itself. 27 airlines fly to Libya. We are Libya 1.

We would like to remind you of our existing service London-Tripoli, 4 days a week on Mondays, Wednesdays, Fridays and Saturdays.

For further information, please contact our U.K. Manager:- Mr A. O. Luati. Tel: 01-730 3565/01-821 4242.

Here is our latest route map:-



الخطوط الجوية العربية الليبية  
**LIBYAN ARAB AIRLINES**

\*SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA

#### HOME NEWS

### Clouds rob druids of Stonehenge sunburst

From Alan Hamilton

The priests of the old religion, who have the knowledge of the oak tree, gathered in the ancient time-circle of Cathor Ghal yesterday morning to greet the first shaft of midsummer light, rising above the Sun Stone to strike the Stone of Measurement, banishing the dark mantle and bringing the return of the Golden Age. Unfortunately, it was cloudy. Nevertheless, the 60 druids persevered in the biting midsummer cold at Stonehenge as the solstice dawned more by the slow turn of a dimmer than by the flick of a switch.

It was the second year running that Stonehenge has been denied the opportunity to prove its mathematical precision by receiving that first burst of sun, but the celebrants were undismayed.

Perhaps the atmospherics of present-day Stonehenge have frightened away the spirit of Awen which the druidic vigil seeks to raise. The monument, which with 700,000 visitors a year is exceeded in popularity only by the Tower of London, is flanked by barbed-wire fencing and perimeter lights.

Traffic roared by on the Exeter road, the leading druid had to issue a clipped order for television lights to be put out, and a skylark, the first to notice the impending dawn at 3.30 am as it soared above the stones, was obliged to compete with the decibels of a rock concert half a mile away.

A thinner crowd than usual watched from outside the fence, shouting irreverent banter. Inside, police with tracker dogs circled in the lark lest there should be a reappearance of the Walleys, a rival religion of peace and long hair whose members occupied the monument in 1974.

More formal planning issues than had been discussed so far were raised by Mr George Dobry, QC, representing the Attorney General of the Isle of Man. He asked if alternative sites had been examined. Mr Alday suggested that one or two new reprocessing plants equivalent to the one planned for Windscale might be needed by the end of the century, but the present proposal had been confined to Windscale as the most suitable site.

Mr Dobry contested the plan on the grounds that Windscale was the most unsuitable site in the country on planning grounds. The areas adjacent to the plant were listed as of outstanding natural beauty and scientific importance, and the plant was on the border of Britain's most important national park. While defence needs in wartime had allowed Windscale to be built with no planning consideration, the extension was not acceptable.

Mr Dobry said a reprocessing plant should be away from a national park, away from an area of beauty and scientific interest, and in one with satisfactory transport facilities.

### Plutonium theft by terrorists a possibility, inquiry is told

From Pearce Wright

Science Editor Whitehaven

The theft of plutonium by a terrorist group and the manufacture of a crude bomb were real possibilities, Mr C. Coningsby Alday, managing director of British Nuclear Fuels, conceded yesterday at the public inquiry at Whitehaven into plans to build a new type of oxide nuclear fuel reprocessing plant at Windscale, Cumbria.

The production of such a weapon, he added, was not as easy as popularly portrayed would be the theft of suitable material.

Before cross-examination began yesterday, British Nuclear Fuels answered two of 14 questions put last week by Mr Justice Parker, the inspector to the inquiry about stocks of plutonium in Britain. He wished to know how much was available from the first generation of Magnox power stations, which started operating at Calder Hall and form the backbone of the atomic power programme of the electricity generating boards. The answer was that 7.5 tonnes of plutonium was available for civil use.

As more than 19,000 tonnes of Magnox fuel has been reprocessed over the past 25 years, and one tonne of fuel yields two kilograms of plutonium, most of that recovered must have been earmarked for defence.

The second answer shows by the year 1990 the civil stocks would rise to 30 tonnes and by the year 2000 to 45 tonnes of plutonium. It is the accumulation of large stocks and the shipment of plutonium as a fuel for future generations of fast breeder reactors that lay at the heart of arguments yesterday about proliferation of weapons material either to terrorist groups or to non-nuclear weapons states.

Cross-examined by Mr Raymond Kidwell, QC, for Friends of the Earth, Mr Alday accepted that terrorists might obtain plutonium. Asked if he



The druids carrying out their midsummer sunrise ritual yesterday at Stonehenge.

accepted an assessment that they could make a crude device equivalent to 100 tonnes of TNT, he said: "They could make something to be exploded."

He did not believe the size of stocks mattered, because such a small amount was needed for an explosive device. About eight kilograms is generally regarded as enough. He made a clear distinction between controlling terrorist groups, who were a menace whatever explosive material was involved, and the creation of new weapons states.

Agreeing that Britain should not make plutonium available to non-signatories of the non-proliferation treaty, he accepted that plutonium had been supplied to Japan before the agreement signed the treaty, and fuel contracts existed with Spain, another non-signatory.

Plutonium was supplied to a foreign country only with government approval. Referring to the 1960s contract under negotiation with Japan to reprocess waste fuel over the next 13 years at a new plant at Windscale, Mr Alday said the return of plutonium would be made only when a clear need was shown.

The chances of an explosion at a chemical plant resulting in a huge poison cloud over north Derbyshire was described at a public inquiry at Chesterfield yesterday as very remote.

Lord Colville, for Vinox Ltd, was giving evidence at the start of the inquiry into the company's plans to spend £20m on doubling the size of its pvc polymerization plant at Staveley. The company, jointly owned by British Steel, the National Coal Board and an American oil company, wants to be able to produce 120,000 tons

of pvc a year, instead of 60,000 tons.

Chesterfield Borough Council has opposed the plan amid fears that an explosion could send a massive poison cloud over the homes of 80,000 people living in the area.

Lord Colville said the expansion plans had been passed as adequate by the Health and Safety Executive. He added: "If there had been any residue of doubts as to undue risk, this would not have been considered. Vinox is a safety-first company."

He wanted a quick resale of the estate because of his company's commitment on another land deal, the Bewbush estate in Sussex.

The prosecution said that in a statement to the police Mr Guthrie had said the Bewbush deal involved the purchase by Broadland of 617 acres for £2,250,000 in conjunction with Reed International, after discussions with Lord Ryder of Baron Hastings, then Reed's chairman. Part of the land was sold for £7m five months later. The Bewbush deal is not the subject of any charges.

Mr Guthrie said that because of the Bewbush deal "we were going to be in a tight financial position" and over-committed. On about October 4, 1972, Mr Ritchie offered to take a 10 per cent stake in the £235,000 Tedfold transaction, and sent a cheque to cover a deposit on that amount.

Mr Guthrie added: "Anyone who took a share in providing purchase money for Tedfold was taking a risk. I have had to bear 10 per cent of the loss if there had been one."

Mr Guthrie denied that he had deliberately destroyed copies of a letter he had sent to Mr Ritchie on August 15, 1972, which the prosecution says corroborates a secret deal between the two men. The trial continues today.

The chapel, said the chapel wanted a formula that would allow members to work normally for newspapers not on strike, but would not force them to take strike-breaking chapel (office branch) was not accepted by the London editor, Mr Martin Davies. Mr Stephen Cook, clerk of

### Plutonium theft by terrorists a possibility, inquiry is told

From Pearce Wright

Science Editor Whitehaven

The theft of plutonium by a terrorist group and the manufacture of a crude bomb were real possibilities, Mr C. Coningsby Alday, managing director of British Nuclear Fuels, conceded yesterday at the public inquiry at Whitehaven into plans to build a new type of oxide nuclear fuel reprocessing plant at Windscale, Cumbria.

The production of such a weapon, he added, was not as easy as popularly portrayed would be the theft of suitable material.

Before cross-examination began yesterday, British Nuclear Fuels answered two of 14 questions put last week by Mr Justice Parker, the inspector to the inquiry about stocks of plutonium in Britain. He wished to know how much was available from the first generation of Magnox power stations, which started operating at Calder Hall and form the backbone of the atomic power programme of the electricity generating boards. The answer was that 7.5 tonnes of plutonium was available for civil use.

As more than 19,000 tonnes of Magnox fuel has been reprocessed over the past 25 years, and one tonne of fuel yields two kilograms of plutonium, most of that recovered must have been earmarked for defence.

The second answer shows by the year 1990 the civil stocks would rise to 30 tonnes and by the year 2000 to 45 tonnes of plutonium. It is the accumulation of large stocks and the shipment of plutonium as a fuel for future generations of fast breeder reactors that lay at the heart of arguments yesterday about proliferation of weapons material either to terrorist groups or to non-nuclear weapons states.

Cross-examined by Mr Raymond Kidwell, QC, for Friends of the Earth, Mr Alday accepted that terrorists might obtain plutonium. Asked if he

accepted an assessment that they could make a crude device equivalent to 100 tonnes of TNT, he said: "They could make something to be exploded."

He did not believe the size of stocks mattered, because such a small amount was needed for an explosive device. About eight kilograms is generally regarded as enough. He made a clear distinction between controlling terrorist groups, who were a menace whatever explosive material was involved, and the creation of new weapons states.

Agreeing that Britain should not make plutonium available to non-signatories of the non-proliferation treaty, he accepted that plutonium had been supplied to Japan before the agreement signed the treaty, and fuel contracts existed with Spain, another non-signatory.

Plutonium was supplied to a foreign country only with government approval. Referring to the 1960s contract under negotiation with Japan to reprocess waste fuel over the next 13 years at a new plant at Windscale, Mr Alday said the return of plutonium would be made only when a clear need was shown.

The chances of an explosion at a chemical plant resulting in a huge poison cloud over north Derbyshire was described at a public inquiry at Chesterfield yesterday as very remote.

Lord Colville, for Vinox Ltd, was giving evidence at the start of the inquiry into the company's plans to spend £20m on doubling the size of its pvc polymerization plant at Staveley. The company, jointly owned by British Steel, the National Coal Board and an American oil company, wants to be able to produce 120,000 tons

of pvc a year, instead of 60,000 tons.

### Army needs all land it holds on Dartmoor

By Henry Stanhope

Defence Correspondent

A public inquiry into military training on Dartmoor has confirmed that the Ministry of Defence needs all the land it holds there. But it acknowledges that the combination of military training and a national park is "discordant, incongruous and inconsistent."

Meanwhile, the Government, in a White Paper published simultaneously yesterday, has agreed to look at most of the proposals, designed to reduce training on Dartmoor ranges and to improve public access to the scenic area.

The inquiry by Lady Sharp was established two years ago to look more closely at the Forces' use of 30,000 acres of Dartmoor after several people had expressed dissatisfaction with the findings of the Defence Lands Committee, 1971-73.

Her conclusions, however, generally support the previous committee's statement that "given the situation as it is, the Ministry of Defence need all their training areas on Dartmoor."

Moreover, yesterday's White Paper, published jointly by the Secretaries of State for Defence and the Environment, confirms that despite manpower reductions and reconstruction in the Services, demands for training land on the moor is unlikely to diminish significantly.

Indeed it points out that while it accepts Lady Sharp's recommendations in principle, the "cuts in defence spending will make it more difficult to implement any that might increase costs."

Lord Colville said the expansion plans had been passed as adequate by the Health and Safety Executive. He added: "If there had been any residue of doubts as to undue risk, this would not have been considered. Vinox is a safety-first company."

He wanted a quick resale of the estate because of his company's commitment on another land deal, the Bewbush estate in Sussex.

The prosecution said that in a statement to the police Mr Guthrie had said the Bewbush deal involved the purchase by Broadland of 617 acres for £2,250,000 in conjunction with Reed International, after discussions with Lord Ryder of Baron Hastings, then Reed's chairman. Part of the land was sold for £7m five months later. The Bewbush deal is not the subject of any charges.

Mr Guthrie said that because of the Bewbush deal "we were going to be in a tight financial position" and over-committed. On about October 4, 1972, Mr Ritchie offered to take a 10 per cent stake in the £235,000 Tedfold transaction, and sent a cheque to cover a deposit on that amount.

Mr Guthrie added: "Anyone who took a share in providing purchase money for Tedfold was taking a risk. I have had to bear 10 per cent of the loss if there had been one."

Mr Guthrie denied that he had deliberately destroyed copies of a letter he had sent to Mr Ritchie on August 15, 1972, which the prosecution says corroborates a secret deal between the two men. The trial continues today.

### Army needs all land it holds on Dartmoor

By Henry Stanhope

Defence Correspondent

A public inquiry into military training on Dartmoor has confirmed that the Ministry of Defence needs all the land it holds there. But it acknowledges that the combination of military training and a national park is "discordant, incongruous and inconsistent."

Meanwhile, the Government, in a White Paper published simultaneously yesterday, has agreed to look at most of the proposals, designed to reduce training on Dartmoor ranges and to improve public access to the scenic area.

The inquiry by Lady Sharp was established two years ago to look more closely at the Forces' use of 30,000 acres of Dartmoor after several people had expressed dissatisfaction with the findings of the Defence Lands Committee, 1971-73.

Her conclusions, however, generally support the previous committee's statement that "given the situation as it is, the Ministry of Defence need all their training areas on Dartmoor."

Moreover, yesterday's White Paper, published jointly by the Secretaries of State for Defence and the Environment, confirms that despite manpower reductions and reconstruction in the Services, demands for training land on the moor is unlikely to diminish significantly.

Indeed it points out that while it accepts Lady Sharp's recommendations in principle, the "cuts in defence spending will make it more difficult to implement any that might increase costs."

Lord Colville said the expansion plans had been passed as adequate by the Health and Safety Executive. He added: "If there had been any residue of doubts as to undue risk, this would not have been considered. Vinox is a safety-first company."

He wanted a quick resale of the estate because of his company's commitment on another land deal, the Bewbush estate in Sussex.

The prosecution said that in a statement to the police Mr Guthrie had said the Bewbush deal involved the purchase by Broadland of 617 acres for £2,250,000 in conjunction with Reed International, after discussions with Lord Ryder of Baron Hastings, then Reed's chairman. Part of the land was sold for £7m five months later. The Bewbush deal is not the subject of any charges.

Mr Guthrie said that because of the Bewbush deal "we were going to be in a tight financial position" and over-committed. On about October 4, 1972, Mr Ritchie offered to take a 10 per cent stake in the £235,000 Tedfold transaction, and sent a cheque to cover a deposit on that amount.

Mr Guthrie added: "Anyone who took a share in providing purchase money for Tedfold was taking a risk. I have had to bear 10 per cent of the loss if there had been one."

Mr Guthrie denied that he had deliberately destroyed copies of a letter he had sent to Mr Ritchie on August 15, 1972, which the prosecution says corroborates a secret deal between the two men. The trial continues today.

### Director 'flabbergasted' at profit on land deal

From Michael Horswell

Chelmsford

John Guthrie, managing director of a company of property developers, accused in the Tedfold Sted Farm case, said at Chelmsford Crown Court, Essex, that he was flabbergasted at the profit made on the land deal.

The 350-acre estate in Sussex, which is company, Broadland Properties, about in 1972 to £235,000, was sold for £406,000 three weeks later.

Mr Guthrie, aged 69, told Mr Justice Eveleigh and the jury: "It was very embarrassing to me, because one is not accustomed to making profits of this magnitude. We usually work on a 10 to 15 per cent basis of profitability. To get one of this magnitude was quite unheard of."

"I think it was just in accordance with the way the property market was moving. At the time the banks were more or less inviting people to go along and borrow money, and that was the reason the property market sailed ahead as it did."

Mr Guthrie said Mr Derek Ritchie, an estate agent, made nearly £15,000 on the resale. Mr Ritchie, aged 50, and Mr Guthrie, together with Broadland Properties, have pleaded not guilty to two charges of conspiracy to defraud.

Earlier, Mr Guthrie said he

### Civil servants are to keep index-linked pensions

By a Staff Reporter

The Government has decided not after all to interfere with the index-linked pensions of public servants. Under the terms of the 1971 Act this month's retail price index will be used to calculate the pension increase to be paid from December.

Present rates of inflation suggest that the index will have gone up by about 17 per cent over the past year.

Mr Callaghan put a stop to months of speculation and ended equivocation by the Government when, in reply to a question yesterday, he told the Commons: "There are no proposals for modifying the Pension (Increase) Act, 1971. The increases will go ahead in accordance with that Act."

Because of continuing high inflation the Government has been under increasing pressure from those who felt that civil servants and others were getting an unfair advantage. About 1,100,000 people in public-service jobs are covered by the index-linked pension scheme set up by Mr Heath's Government.

An argument used against index-linking was that because

### More airlines providing for non-smokers

By Our Health Services Correspondent

Britain comes third in a table of airlines that offer a service to non-smokers. Act on Smoking and Health (ASH) says today.

Publishing the result of a survey of 56 airlines, ASH says that three-quarters provide a smoking seats, compared with just over half in 1975. Average of non-smoking seats varies from 64 per cent on Air to 11 per cent on Turl Airlines.

Since 1975 nine airlines, previously without non-smoking seats, had provided some, and airlines increased smoking provisions. ASH says: "More airlines were offering non-smoking accommodation chartered as well as scheduled flights."

Finnair, which said that was the first airline to provide smoke-free accommodation, offered the best service to smokers, prohibiting smoking on all domestic flights of more than 40 minutes.

The 13 airlines offering more seats to non-smokers were: Finnair, Czechoslovak Airlines, British Airways, Tr world Airlines, Canadian Air Airlines, Aer Lingus, Air Is Britannia Airlines, Brl Island Airways, British V Airlines, Laker Airw Pan American Airways, South Africa Airways.

Mr Michael Deane, dire of ASH, said that he had ten to Mr Dell, Secretary State for Trade, urging that provision of non-smoking accommodation in aircraft should make a criterion for licen aircraft to land in Britain.

### TV series for handicapped

A series of television programmes designed for mentally handicapped people is to start in the autumn of next year. There will also be a radio series for those who live and work with them.

The BBC says it is hoped that the programmes will be used in special schools and adult training centres. They will encourage the development of social skills.

### Scientists to pay damages

Dr Anthony Ryle, a psychiatrist and director of health services to Sussex University, accepted substantial damages in settlement yesterday of a High Court libel action he brought against the Church of Scientology over an attack on his professional competence.

Dr Ryle, author of *Scientist Canaries*, complained of a review of his book in a scientologists' pamphlet.

### Journalists stay on strike

The strike by 14 journalists at the London office of Westminster Press continued yesterday after plans for a settlement put forward by the National Union of Journalists' chapel (office branch) was not accepted by the London editor, Mr Martin Davies. Mr Stephen Cook, clerk of

the chapel, said the chapel wanted a formula that would allow members to work normally for newspapers not on strike, but would not force them to take strike-breaking chapel (office branch) was not accepted by the London editor, Mr Martin Davies. Mr Stephen Cook, clerk of



ME NEWS

Game mise annual ne Fair

Upper Warzan, the annual occasion on which the Landowners' Association to indicate towns and fishing, if not to take place this year at Burn Abbey on July 10, was started in 1953 at the small landowner, but has been ever the years to allow the country and to in pursuits believed preserve of a privacy. A attendance of more 100 is expected as the in popularity. Visitors own how to cast an for coarse and game not a clay pigeon, rchery, and demon-proves of their dog wing competition. party was yesterday ples of these delights, at the expertise of seasonal and taking elgar when they air fallibility. Labrador, showing igeance on a cold day, retrieve a dummy a lake even after its id unceremoniously into the water, and honour had to be a more enthusiastic. The archers had with a new American set, but many a clay blow to pieces. The two days more 100 of the chalk and s will plummet to has boosed functions on a similar conver-up concerts, and have its share of ies. vellers especially will the demonstrations sugs and drummers—slang for ferrets and id there will be a range and mart, said only ferret fair in y. Ferrets can be sale at high prices, perts say that 23 is to the anti-fid y, the Country Land-sociation and the fair n, and say that the sman is the most as of conservation.

fire erty patients and the safely evacuated yes- the Barden House ipletics at Magball, ool, when fire broke 1 cupboards.

Students' union urged not to expel Jews

From Our Correspondent: The students' union at York University is being urged by the vice-chancellor, Dr Morrison-Castles, to reject a recommendation for the expulsion of the Jewish society. He says that if that is not the outcome of a union meeting today the university's governing bodies will intervene. The 40-member Jewish society on the campus is being denied recognition, funds and facilities by the union after its decision to support explicitly the state of Israel. The union maintains that this conflicts with its policy of severing all links with Zionist groups. Our Religious Affairs Correspondent writes: Growing concern at the effect of quarrels between Jewish students and pro-Palestinian student organisations in British universities has provoked one of the largest Jewish groups, the Reform Synagogue of Great Britain, to alert all its members. Constituent congregations have been asked to support Jewish students "in the struggle for the protection of their rights as Jews". Apart from the students' union at York, six students' unions have passed resolutions to withdraw recognition, always on the ground that Jewish students' societies are "Zionist" and Zionism is alleged to be a form of racism. But Jewish societies penalised in that way are invariably handicapped in their cultural, religious and social activities on campus, and as a result certain Jewish leaders are beginning to complain that the effect, if not the intention, is antisemitic.

Girls have fewer job chances, commission says

The Equal Opportunities Commission has complained to the Prime Minister about the wide disparity of opportunities between the sexes in the 16 to 19 age group. The commission says in a letter that there are large differences to the disadvantage of girls in the provision of apprenticeships, vocational training and day release education. The commission's remarks come at a time when the Government is studying the Highland working party report prepared for the Manpower Services Commission. That report said there should be greater provision of opportunities for girls. The commission says that girls represented 49 per cent of the unemployed people aged 16 to 17 last January, compared with 35 per cent in 1970.

Facilities for tests on infectious bodies urged

From Our Correspondent: Full facilities should be made available in every big city for post-mortem examinations on the victims of highly infectious diseases such as rabies and lassa fever, a neurological specialist said yesterday. Speaking at a Bradford inquest on a Bradford boy, aged 11, who contracted rabies after being bitten by a dog during a holiday in Pakistan, Dr Denis Harriman, consultant neuro-pathologist at Leeds, said that he could not think of any such facilities outside London that were adequate. There had been pressure for the past two years in Leeds for the provision of a fully sterile room at the city mortuary where a full examination could be carried out on a highly infectious body, but none had yet been built. He estimated the cost at about £10,000. A verdict of death by misadventure was recorded on Ayub Khan, of Neal Street, who died in March. Dr Harriman said that because of the inadequate facilities he had been able to examine only the boy's brain and send saliva samples for analysis to London. He added: "There may well be other cases such as this which have to be examined, where the personnel are subject to very great risk unless the autopsies are carried out in sterile conditions." Mr James Turnbull, the coroner, said he would fully back Dr Harriman's call.

Common training urged for the legal profession

Sir David Napley, president of the Law Society, last night called for the two branches of the legal profession to have a common training and for its members to become general lawyers for about three years before trying to qualify as specialist barristers. He also proposed a reorganization of the system of courts to ensure that those at the higher levels, to which only barristers would have access, would deal with the more important cases. But he fell short of advocating a completely fused legal profession, the aim of the 100-strong United Lawyers' Association, which organized the meeting. Sir David said: "Fusion might be an admirable thing, but it is not something that should be fostered on professions such as ours. One of the great virtues of our system is that it has evolved. Sir David spoke of four defects of the divided profession. It was impractical to have to decide at an early age whether to specialize. Secondly, the Bar, in certain aspects of practice, had placed itself in an entrenched position. Thirdly, he said it was "utter nonsense that a system has developed in which the mere fact that a person is called to the Bar stamps him automatically as being a specialist and an expert". Finally, some solicitors relied heavily on counsel. The barristers who had to research everything for solicitors tended day by day to increase their knowledge of the law, while the limited number of solicitors who followed that practice tended to lose their knowledge of the law.

WEST EUROPE

Angry Communists cancel meeting with Socialist partners over Mitterrand 'arrogance'

From Charles Hargrove: Paris, June 21. The Communists are angry with the remarks M. François Mitterrand made about them at the Socialist Party congress at Nantes. To underline their displeasure, they cancelled a meeting today of the joint working committee of the two parties on the updating of the common programme of the left. The Communists, in announcing the decision, said their central committee will meet on Thursday to examine Mitterrand's attitude. Their grievance against M. Mitterrand is that he is too "proud, sure of himself, and domineering". They intend to demonstrate by their pique that they will not allow themselves to be steamrollered by him like the Socialists' own left wing, the Ceres, were at the party assembly. Not that at Nantes M. Mitterrand was particularly aggressive. In Communist eyes he was worse—he was frugal. And irony is something the Communists cannot stand. They are particularly upset by his blunt statement that he had no intention of allowing the discussions on the updating of the programme to drag out interminably and serve as a "pretext for publicity or propaganda manoeuvres", which is precisely what the Communists want to use them for. "It would be neither useful nor serious to take more time discussing the updating of the programme than it took to work it out in 1972", the Socialist leader emphasized, adding that one could not pose at one and the same time as good workers for the common programme while presenting the discussions to public opinion in such a way that they increased disunity. In that case, he said, it would be better to stick to the original text of 1972, which was excellent. M. Mitterrand's remarks are, however, only a pretext for the kind of overbidding in which the Communists have indulged ever since both parties agreed to update their programme. The Communists' object is to use the discussions to consolidate their claim to be the more genuine defenders of the industrial workers' interests than the Socialists. The publishing of the cost of the common programme, with which they tripped up M. Mitterrand on the eve of his recent television debate with M. Barre, the Prime Minister, was part of the same tactics. Their concern has increased because the Socialists show signs of gaining ground among the Communists' traditional shop-floor supporters. This posturing, including the insistence on more nationalization, is designed not to secure a modification of the common programme to include their demands—they know the Socialists will not accept most of them—but to position themselves more favourably when it comes to the much more serious business in the autumn of choosing candidates of the left. They even look beyond a victory of the left at the polls next year, to the possibility of withdrawing from a Socialist-dominated government after it had proven its inability to resolve the country's problems. They could then say the government had failed because it had not met the hopes and aspirations of the labouring masses. Right-wing commentators, who in these comfortless days tend to clutch at any straws, already discern in this latest by the harbinger of a breach between Socialists and Communists that might save the Government majority. This is mere wishful thinking. Neither party, with power more nearly within its grasp than at any time in the past 30 years, will take the responsibility of ruining their chances at the polls. And the Communist leadership has not jettisoned whole sections of their doctrine on the class war, Europe and the nuclear deterrent, to forgo now the fruits of office and return to the political ghetto from which the party has so painstakingly emerged.

Firm stand on British form of ice cream

From Michael Hornsby: Luxembourg, June 21. Britain today defended its right to continue labelling and selling as "ice cream" a product which in the view of most other EEC countries should be clearly recognized as a spurious concoction of vegetable fats and other substances. Mr Gavin Strang, Parliamentary Secretary at the Ministry of Agriculture, told a meeting of EEC ministers of agriculture that to insist on calling ice cream "edible ice", as proposed by the European Commission, would make the Community a laughing-stock in Britain. The Commission's proposal was originally part of a scheme for reducing the surplus of dairy products in the Community. As it stands, it would forbid the use of such words as "cream" or "cheese" in the labelling of foodstuffs which have no actual milk content. The Commission also contends that millions of consumers in Britain innocently buy ice cream in the mistaken belief that it actually contains cream. The British say that this is nonsense. Mr Strang told his colleagues that Britain also produced "dairy ice cream", which used real milk and this clearly distinguished it from ice cream, which did not. At a pinch, he said, Britain might agree to rename ice cream "non-dairy ice cream", as suggested by the Belgians. Although the Commission has made clear that it is not challenging the legitimacy of such "traditional appellations" as "cream sherry" and "cream crackers", Mr Strang said that Britain wanted more information about precisely what products would be covered by the proposal. The British had no objections, however, to a related proposal by the Commission for offering manufacturers supplies of cheap butter to enable them to make ice cream from dairy fats at a cost competitive with vegetable fats and thus to continue selling the final product under its traditional name.

Three-day strike by Italian doctors begins

From Our Own Correspondent: Rome, June 21. Italians were without normal medical assistance today as 80,000 doctors began a three-day strike to demand greater scope for private practice in the future national health service. The strike affected public hospitals and private clinics. Each establishment left one doctor on call for serious cases only. Surgeries were closed and doctors were told not to treat patients privately. The public was advised that emergency cases would be treated free at hospital clinics. The strike was strongly criticized by unions, hospital workers and the left wing, but it was one of the most complete stoppages ever called by the Italian medical profession.

Rome University dean shot by terrorists

From Patricia Clough: Rome, June 21. Professor Remo Cacciavesta, the dean of the Economics Faculty at Rome University, was shot in the legs by two women today as tension rose again at the university. He underwent a long emergency operation for the removal of five bullets. Responsibility for the attack was later claimed by the Red Brigade terrorist organization. Professor Cacciavesta was the eighth person to be shot in the legs by terrorists this month. Signor Francesco Cossiga, the Minister of the Interior, said that it was an attempt by left-wing extremists to involve the universities and students in provocation and terrorism. Earlier this month three armed women terrorists sabotaged the university's computer which is used to process research data.

Correction

In an article about Innsbruck in a Special Report on Austria on April 24 an erroneous statement was made concerning its airport. The airport has in fact recently been reopened for larger aircraft, and is now capable of sustaining safe and regular airline operations.

# PORTSMOUTH

... City of the South—with room for your business too! We still have land for development—for housing, commercial, warehousing and leisure facilities and our reclamation programme, using Dutch techniques, means that our City has literally expanded.

A wide variety of industrial activities already thrive in the City, with the local skilled workforce tackling everything from building satellites to fibre-glass yachts. The City's historic association with the Royal Navy is supplemented by the new arrivals in the fields of cybernetics, electronics and insurance.

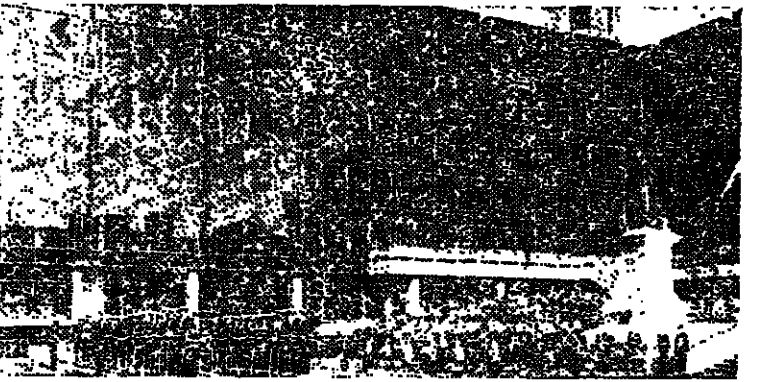
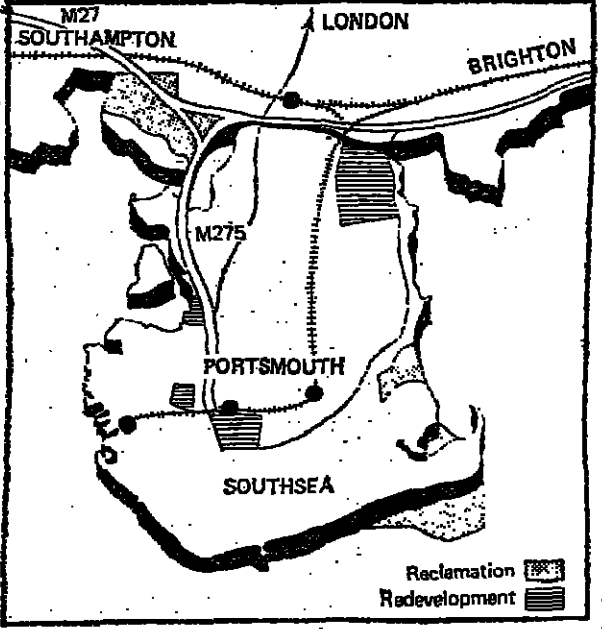
A successful company needs a contented staff. Portsmouth and the surrounding countryside provides many exciting opportunities to fill the leisure time of everyone.

With more coastline than any other British City, almost every kind of water sport is catered for. And as Southsea is already a popular holiday resort there's plenty of entertainment and night-life all the year round.

The City has become one of the South's leading office centres. Vast improvements in the road system, new housing developments and expanding shopping facilities all make it an ideal place to set up your headquarters. Many famous companies already have.

This progress has not been made at the expense of the City's rich historical past. The City has a proud heritage, there are many fascinating museums and buildings to prove it. In 1977, the City can show that it has kept pace with advancing technology.

Our new Civic Centre with its ideal setting for pageantry and entertainment opened last year by Lord Mountbatten, is an example of the re-birth of our City.



There is much to tell you, and we will try to do so on the following pages. If you are already interested, send for further information to:

City Secretary  
Civic Offices  
Guildhall Square  
PORTSMOUTH  
Tel. (0705) 234013

## City of the South



## WEST EUROPE

## Parisians greet Mr Brezhnev in stony silence from behind unprecedented security guard

From Our Own Correspondent  
Paris, June 21

Unprecedented security precautions marked President Brezhnev's appearances in Paris today on the second day of his state visit. Uniformed, plain-clothes and riot police in battle rig with rifles were almost as numerous as the public along his route. For instance, the whole of the Rue de Grenelle, from the Esplanade des Invalides to the old Soviet Embassy, where a reception took place, had been cleared of all parked cars, lined with crash barriers, and picketed at every street corner. What was most awesome, however, was the palpably stony silence with which Mr Brezhnev was greeted by the crowd the whole length of the Champs Elysees.

Today the Soviet leader laid a wreath at the Arc de Triomphe, received delegations of Franco-Soviet friendship

associations, paid a brief call on the Mayor of Paris at the Hotel de Ville, and was entertained to a state dinner at the Elysee Palace.

The call at the Hotel de Ville was a hastily improvised affair, but M. Jacques Chirac, the Gaullist leader, who is also Mayor of Paris, got his way in the end, in spite of the deliberate efforts of the Elysee Palace to leave him out of the rejoicings. Mr Brezhnev met 109 Paris councillors, who, with a few dozen officials were all that could be mustered at short notice for the ceremony.

The discussions between Mr Brezhnev and President Giscard d'Estaing at Rambouillet yesterday afternoon and this morning were unusually frank. There was some forthright speaking on both sides. The nerves of détente and disarmament were firmly grasped, the two sides by no means conversing on all issues.

This morning the Soviet President expressed concern over what he called the "increased contribution of France to the Atlantic Alliance", and according to the Soviet spokesman, he referred to a possible change in French military policy, criticising the new doctrine of the "forward battle" outlined by General Mery, the chairman of the French joint chiefs of staff.

"There is a lot of talk about this forward battle", the Soviet leader said. "But against whom?"

President Giscard d'Estaing put the record straight. France was all for détente, he emphasized, but this must not stop short of the military status quo.

Paris, June 21.—A Matra-luxury cross-country vehicle, given to Mr Brezhnev, was being resprayed with blue paint today, because he did not like its green colour. — Agence France-Presse.

## Italian industrialists jailed over use of chemicals that killed eight workers

From Our Correspondent  
Rome, June 21

The owners, doctor and managers of a Piedmont dye factory have been sentenced to jail in Turin for the manslaughter of eight workers who died from cancer of the bladder caused by substances processed in the factory.

The verdict is seen here as an important milestone in efforts for greater safety in Italian factories, where precautions are not always observed or enforced. The court made legal history by admitting the trade unions for the first time as co-plaintiffs.

The trial concerned the Industria Piemontese Coloranti all'Amilina plant at Cirie where, the workers claimed, 132 employees have died over the past 20 years from confirmed or suspected cancer of the bladder. Another five workers suffer from the disease.

The prosecution blamed the disease on two substances: betanaphthylamine and benzidine, which it claimed were widely known to cause cancer of the bladder. The defence maintained that none of the substances or processes used at the factory was forbidden by law.

Witnesses told the court that workers' complaints about abdominal pains and blood in their urine fell upon largely deaf ears.

The two factory owners, Alfredo and Sereno Ghisotti, were sentenced to six years' jail, the factory doctor, Giovanni Mussa, and the general manager, Paolo Rodano, to four years, and the technical director, Silvio Ghisotti, to three years.

They were found guilty of manslaughter and also of causing bodily harm to four other workers. The five were ordered to pay all costs and compensation, which will be settled by another court.

## Chancellor has full support in Bonn vote

From Dan van der Var  
Bonn, June 21

After last week's rebellion against tax reform, the parliamentary parties of the West German coalition cabinet closed ranks tonight behind Herr Schmidt, the Chancellor.

In a complete turnout by deputies, the coalition recorded its maximum possible majority, 10, in defeating an opposition motion in the Bundestag against the Chancellor.

The motion, introduced from a ruling by the Federal Constitutional Court that Herr Schmidt had, as Finance Minister in 1973, by-passed Parliament in authorizing supplementary expenditure on his own responsibility to counter the oil crisis.

The court, in its judgment, said he was only following the practice of all his predecessors. Today was the opening day of a four-day debate on the 1977 budget of DM170,000m (€45,500m), during which the estimate for the Chancellor's office was considered. This section was also passed with the maximum possible coalition majority of 10.

Last week, the Government narrowly survived votes on tax reform. The left wing of the ruling Social Democrats opposed concessions reducing wealth and company taxes and five deputies either voted against or abstained.

### RAF climber killed

Chamonix, June 21.—A 20-year-old Briton, whose identity was given as Kelvin Barber, of Birmingham, was killed yesterday when he fell while descending the Aiguille du Gouter near Mont Blanc with five other Royal Air Force climbers.

## OVERSEAS

## Russia rejects plan to hasten work at Belgrade conference

Belgrade, June 21.—The Soviet bloc today rejected a Finnish plan to hasten procedural discussion at the European security conference.

Finland proposed a leap-frog technique, with the bypassing of the deadlocked agenda item to see if agreement would be easier on organizational matters.

The discussion was in the fifth day of a planned six-week preparatory session to set guidelines for a conference at higher level, expected to begin in October, when human rights will be a key issue.

Mr Ylli Voronov, the Soviet chief delegate, insisting on completion of an agenda for the main conference as a first task, called for approval of a Soviet draft which the West says would blur the human rights issue.

The Finnish idea, supported by Britain and Norway, was to continue private discussion on the agenda item while moving inside the formal preparatory meeting, diplomats said. The agenda would be taken up later.

Bulgaria, Czechoslovakia and Poland supported Soviet views during the two-hour closed session.

At Bulgaria's proposal, a planned afternoon session was cancelled to await a compromise proposal on the agenda under preparation by nine neutral and non-aligned nations.

Conference sources reported intensive informal contacts, with both East and West trying to discover whether the neutral plan would help to break the deadlock.

Approval of an agenda for the main conference was blocked when the EEC and the Soviet Union presented conflicting proposals last week.

The Western proposal called for open-ended debate, with special emphasis on fulfilment of pledges taken at the first security conference in Helsinki in 1975. The Soviet draft called for a more general discussion.

According to the Western plan, the agenda would be divided into three separate items for review: East-West relations, European security and further meetings after Belgrade.

The neutral and non-aligned group, playing an active backstage role, was reported running into difficulties over the wording of its compromise proposal.

The group brings together disparate interests, with traditional neutrals such as Austria, Sweden and Switzerland on one side, and Yugoslavia speaking for non-aligned nations on the other.

Romania was reported keeping close touch with the neutral group.

Conference sources said there might be new proposals on the agenda by some neutrals to turn the autumn meeting into a decision-making rather than a consultative session. This is likely to be resisted by the Soviet bloc.

Some Western diplomats described the Soviet stance as "extremely hard-line". They speculated whether it was an attempt to stall the conference in hopes of wearing down European and American resistance.

There has been some criticism by some neutrals of a "racist error" by coming forth with its initiative first, limiting its ability to compromise, as the section review is a key to the entire proposal.—Reuter and AP.

## EEC postpones decision on fishing by outsiders

From Our Own Correspondent  
Luxembourg, June 21

EEC foreign ministers agreed here today to extend the interim licensing system for the Soviet Union and other non-EEC countries fishing in Community waters for another three months. Present arrangements expire at the end of June.

The much-reduced fish catch quotas imposed unilaterally on these countries at the beginning of the year will also be extended.

The decision means that the

Soviet Union will continue to be restricted to a maximum of 27 average-size trawlers, with no more than 17 vessels allowed to fish at any one time. This represents a cut to less than 200,000 tonnes in a full year, compared with 600,000 tonnes caught last year in EEC waters.

The fishing licences will continue to be issued by the EEC member state holding the Community presidency. This was a concession to Britain, which opposed the transfer of authority to the European Commission.

## King's autonomy pledge to Catalans

Madrid, June 21.—King Juan Carlos today promised early negotiations for restoring greater autonomy to Catalonia, Spain's restive north-east region around Barcelona.

Señor Juan Raventos, the Catalan Socialist leader, told a press conference that the King gave this assurance at an audience. Señor Raventos, whose party won the biggest share of the votes in Catalonia in last week's general election, also conferred yesterday with Señor Suárez, the Prime Minister.

"The King manifested his sincere desire to hurry along the negotiations and avoid delays", he said.

Catalonia, which is highly industrialized, achieved a statute of autonomy in 1932 but this was revoked by General Franco in 1938 because the Catalans sided with the Republic which was defeated in the civil war.

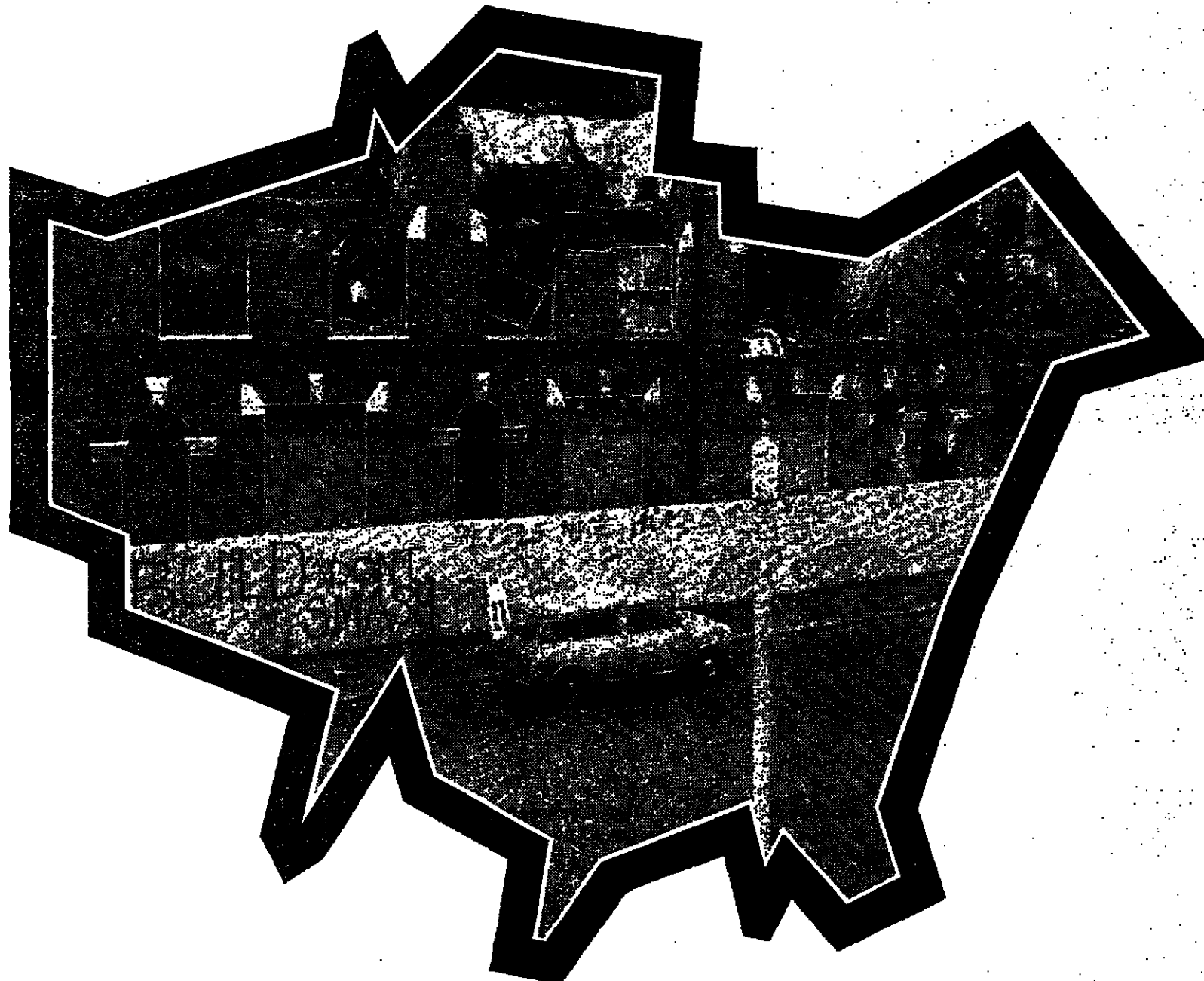
Devolution demands in Catalonia and the Basque country are among the main problems facing Señor Suárez in the new Parliament which will rewrite General Franco's authoritarian constitution.

Señor Raventos said he demanded the derogation of General Franco's 1938 decree eliminating the Catalan statute of autonomy, the release of all

Catalan political prisoners, and the concession of a diplomatic passport to Señor Josep Tardellas, exiled president of the Generalitat, the autonomous Catalan government. Señor Tardellas, aged 78, lives in Perpignan, France.

Señor Raventos informed both the King and Señor Suárez of plans by 16 newly elected Catalan senators and 42 deputies to meet soon, probably on Saturday, to elect a council that would negotiate with the Government.—Reuter.

Paris, June 21.—The Spanish Republican Government-in-exile announced here that it had decided to dissolve itself



# What future for London?

Thames Television's Jubilee project London Looks Forward, designed to study and awaken interest in the future of London, is culminating in three events.

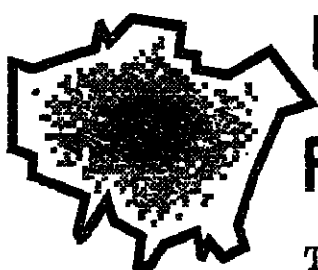
Tonight, in the Thames ITV area only, most of the evening's viewing will be devoted to a two-part special programme. *The Living City & The Future City* begins with a ninety-minute documentary at 8.30, and continues after News at Ten with a live debate until midnight.

On July 4 HRH Prince Philip Duke of Edinburgh will open the London Looks Forward Conference at the Queen Elizabeth Hall. For two days the representatives of national and local government, public authorities, business and industry, trade

unions and many other interested bodies will meet to discuss future policy and action over jobs, housing, transport, and the social and cultural life of London.

And on July 6 at 7.00pm HRH the Duke of Edinburgh will take part in a final programme reporting to viewers on the conference and its outcome.

London Looks Forward is a unique project, which aims not only to stimulate debate on the vital issues of London's future, but also to communicate these issues as widely as possible to the people of the capital city. We hope it will prove to be a fitting and constructive contribution to the Queen's Silver Jubilee Year.



LONDON  
LOOKS  
FORWARD

Thames Television 306-316 Euston Road London NW1 3BB 01-387 9494

## Strict police guard for Comecon summit

Warsaw, June 21.—Government leaders of Comecon, the communist economic grouping, began a three-day summit here today to discuss long-term joint ventures in energy and other key economic sectors.

The eight prime ministers and one deputy premier from the nine member states of Comecon—officially the Council for Mutual Economic Assistance—began their annual session under strict police guard at Warsaw's new Hotel Victoria-Intercontinental.

Their main task is expected to be a review of progress in savings up to 15 per cent in operation programmes in five fields which were announced at last year's session in East Berlin. The sectors are fuel, energy and raw materials, engineering, food production, consumer goods and transport.

Of these questions, the problem of fuel and raw material supplies for the fast-growing economies of the Comecon countries appeared likely to dominate the discussions. But the meeting was slow to get down to business because speeches on the year's statistical anniversary of the 1917 Russian Revolution occupied the session's opening stages.

Despite vast deposits of oil in the Soviet Union and some in Romania, Comecon produce only 73 per cent of its crude oil requirements, and some Western analysts believe the Russians will be increasingly unable to meet their allies' soaring demands.

The full members of Comecon are the Soviet Union, Poland, East Germany, Czechoslovakia, Romania, Hungary, Bulgaria, Cuba and Mongolia. All are represented here by their prime ministers except Cuba which, as in previous years, has sent Señor Carlos Rafael Badier, the deputy Prime Minister. Yugoslavia, which has associate status, has also sent a deputy premier. There are also observers from Vietnam, North Korea, Angola and Laos.

There was no immediate reaction here to EEC proposals to open talks today to revise the president of the Comecon executive committee for talks in Brussels on possible links between the two bodies. Although it was Comecon itself which requested a meeting, officials were expected to weigh carefully the implications of the EEC move before making known their response.—Reute

## Bhutto tour holds up election pact

Islamabad, June 21.—Negotiations between members of the Pakistan Government and Opposition leaders came to an abrupt halt today after the two sides were unable to reach a compromise settlement over demands for new national elections.

Opposition leaders said they would await the return tomorrow of Mr Bhutto, the Prime Minister, from a Middle East tour before resuming the talks.

Both the ruling Pakistan People's Party and the opposition Pakistan National Alliance had been hopeful that a final settlement could be reached and formal agreement signed by Friday, paving the way for fresh elections in the autumn.

Professor Ghafar Ahmed, secretary-general of the Pakistan National Alliance and one of the opposition negotiators, said today: "The remaining differences which rose during his talks with the Government representative, Finance Minister Abdul Afeez Pirzada, can only be sorted out on Mr Bhutto's return from his current Middle East tour."

Mr Pirzada said the disagreements related to the date of dissolution of the National Assembly.—AP.

Teheran, June 21.—Mr Bhutto said here today that a new election would be held on October 7.—Reuter.

## US envoy is hopeful about Salt

Moscow, June 21.—Mr Paul Warnke, the chief American arms negotiator, arrived in Moscow today with a substantial more optimistic view of strategic arms limitation negotiations than the Soviet Union has been voicing.

Asked to describe the atmosphere of continuing talks on Salt 2 agreement, Mr Warnke told reporters:

"We are quite encouraged. We think a substantial progress was made at Geneva at the end of May and that the sides are beginning to come to some kind of a general understanding as far as a framework for negotiations are concerned. The two sides were making significant progress as far as the remaining issues go," he said.

Mr Warnke is in Moscow at the head of a United States Soviet group on military competition in the Indian Ocean, established during talks here in March of Mr Vance, the American Secretary of State.

He said Salt matters "are not the purpose of this delegation".

He was greeted at the airport by Mr Georgy Kornienko, Deputy Foreign Minister, a senior Soviet arms negotiator, but who held most of his talks with Mr Lev Mendelevich, who of lower rank.—AP.

## Jail for Eoka men over riot in which US envoy died

Nicosia, June 21.—Two Greek Cypriots were jailed here today for taking part in a riot outside the United States Embassy in August, 1974, in which the ambassador and his secretary were killed. Ioannis Kiriakides, a former police sergeant, aged 35, was sent to prison for seven years, and Neophytos Lettis, a mechanic, aged 50, for five.

The riot followed the Turkish invasion the previous month which left a third of the island in Turkish hands. When their trial began both

men were originally charged with homicide but the charges were dropped. They were convicted of taking part in the riot and carrying firearms. Mr Kiriakides was also convicted of firing at the embassy and using a firearm.

Well-known activists of the extreme right Eoka movement, both men were associates of Mr Nicos Sampson, whose eight-day seizure of power in the coup which drove President Makarios into temporary exile, preceded the Turkish invasion.—Reuter.



















**Golf**  
**England can**  
**take off**  
**in first flight**  
**this time**

The champion was searching for awards in his praise for his London residence. Finally he said, "The British fans are the British press, the managers, the promoters, they're a great bunch of people and I admire their sense of fair play. I believe you have a genuine pleasure to visit there."

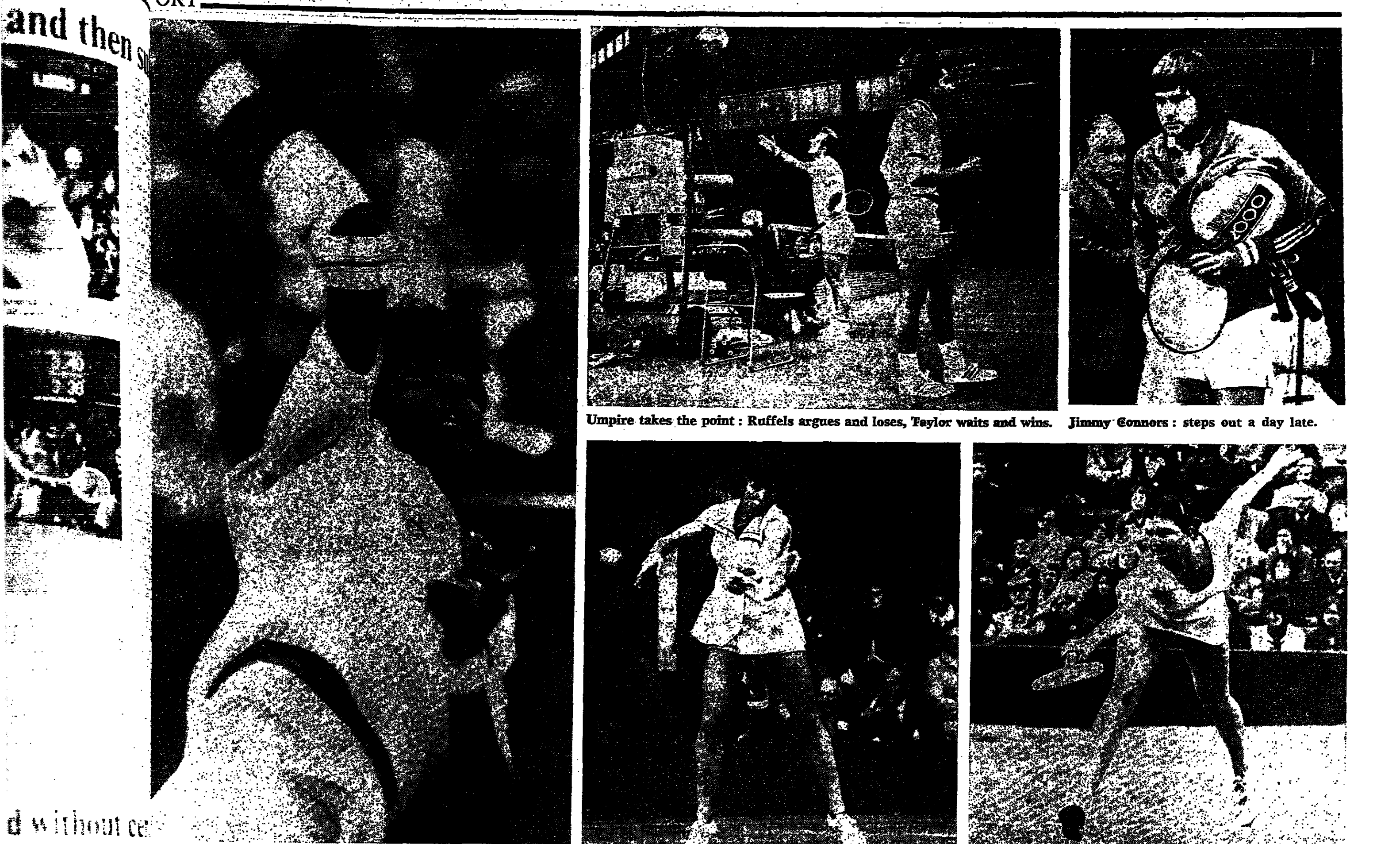
"Sometimes I would want to rest here. When you knock out another hero, you get a lot of gentlemen and they don't throw things at you in retaliation. They even wait for you to come out of the ring and they don't congratulate you. This is an unbelievable experience and I want to go back to London."

"Agasbe," added Palmino, promoter Micky Duff will put me against Jose Pimpo Cuevas of World Boxing Association's champion from Mexico) so that we can decide who is the number one."—Agence France-Press.



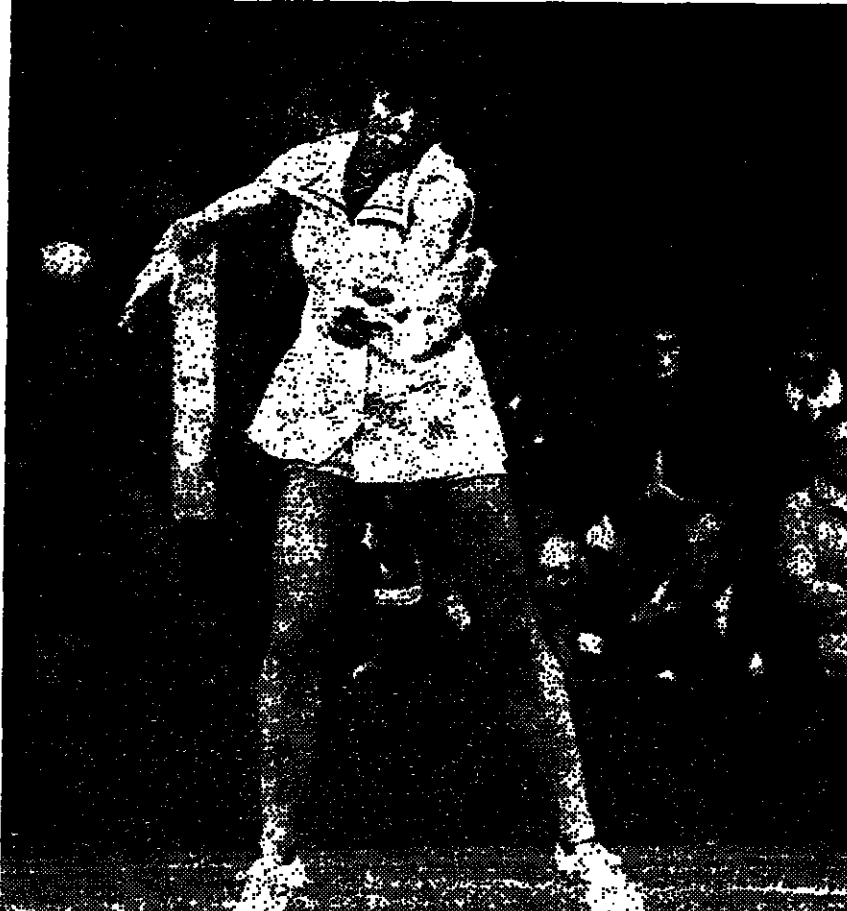




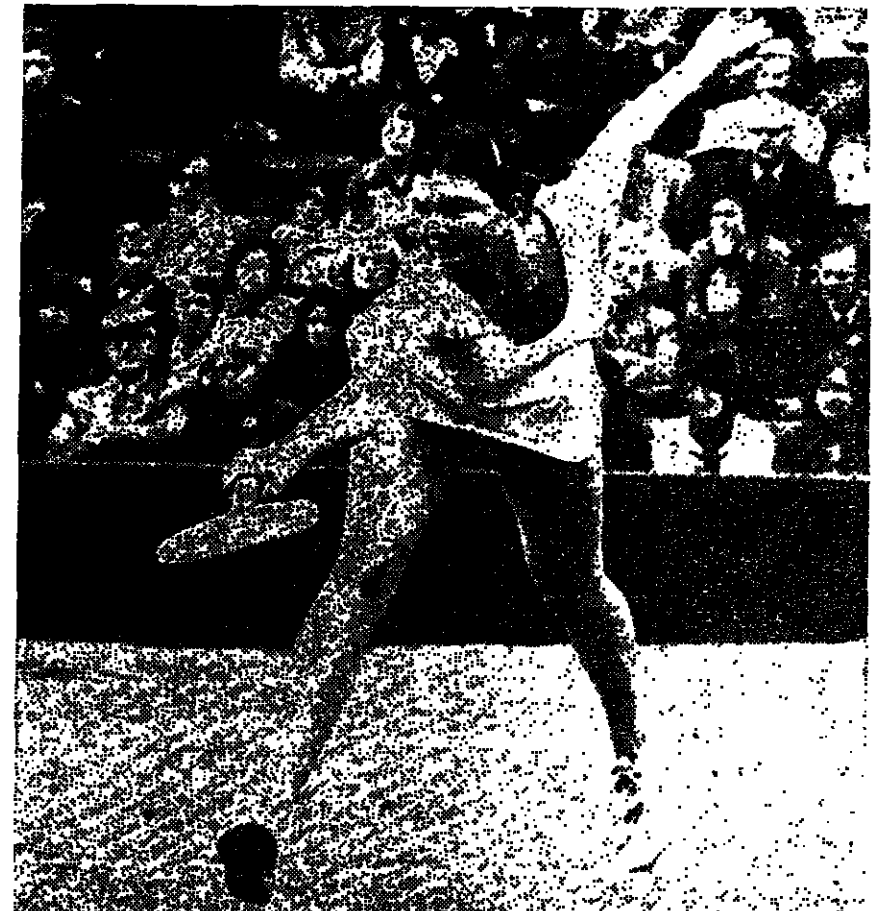


Umpire takes the point: Ruffels argues and loses, Taylor waits and wins.

Jimmy Connors: steps out a day late.



Martina Navratilova: stamping her name on the championship.



May in midsummer: the No 12 seed at full stretch.

Photographs by Harry Kerr and Bill Warhurst

Report June 21 1977

## Judgment in tort in plaintiff's currency

Aspirin R.  
Lord Justice Stephenson,  
Justice O'R and Lord Justice  
18-Brace

one delivered June 17] one who has suffered damage in a foreign currency in consequence of the tort of another, is entitled to recover damages in the currency in which he has suffered the loss (the plaintiff's solution).

Lordships set aside Mr. Brandon's judgment and that the owners of the ship were entitled to damages in the currency in which they were directly and immediately incurred or suffered the loss.

Lordships set aside Mr. Brandon's judgment and that the owners of the ship were entitled to damages in the currency in which they were directly and immediately incurred or suffered the loss.

Lordships set aside Mr. Brandon's judgment and that the owners of the ship were entitled to damages in the currency in which they were directly and immediately incurred or suffered the loss.

judgment, but that he ought to have awarded them in the currency of the plaintiffs, the respondents.

In 1974 the *Eleftheria*, a Greek ship, was damaged in collision with the *Despina R*, another Greek ship, off Shanghai. Liability was settled on terms that the *Despina R* was 100 per cent to blame. The bank account used for all payments in respect of the damaged ship was a United States dollar account in New York. Temporary repairs were done at Shanghai, paid for in RMB (Chinese currency); a survey, also in Shanghai, was paid for in United States currency; further expenditure in Yokohama was paid for in Japanese yen; and permanent repairs were done in the United States, paid for in dollars.

When in 1981 the House of Lords considered the objection to converting foreign currency into sterling at the breach date, the strength and stability of sterling were weak, and the House was pressed to take account of its weakness and alter the rule. However, they affirmed the rule and said that it should apply to debt as well as to damages.

Lord Wilberforce, however, made it clear that it should be open for future discussion whether the same rules should apply for damages for breach of contract as for tort and whether *The Volturno* was still good law. It therefore had to be considered whether the plaintiff's loss should be converted to give judgment in sterling at the rate of conversion prevailing at the time of the collision.

held that not only must damages in tort be awarded in sterling at the date of the loss and damage but that the loss and damage must be valued in sterling at that date before conversion. He further submitted that *The Volturno* was still good law and that a judgment in sterling was still the right solution to the problems created by fluctuations of sterling, because it was in fact used to purchase the currency actually spent on repairs.

Mr Justice Brandon interpreted the judgment of Mr Justice Robert Goff as regarding *The Canadian Transport* as a binding authority, unaffected by the *Milangos* case, which precluded him from adopting the currency of the plaintiff's loss. He agreed with him and regarded himself as similarly precluded in the present case.

After considerable oscillation of mind their Lordships thought that Mr Justice Brandon was wrong. Neither judge was precluded from giving judgment for damages in the plaintiff's currency, in the one case for breach of contract and in the other for negligence. An English court was free to choose the currency of the currency of expenditure and loss, provided that the court was satisfied that that currency was, in the phrase used in *The Folger*, the proper currency of the loss, the currency in which the loss was effectively felt or borne, that with which the loss was most closely connected, and that the loss was in fact incurred in that currency.

The court was impressed by the consideration that the solution of the plaintiff's currency reduced the risk of changes in currency values by subjecting a plaintiff to changes in the internal value of the currency of expenditure and loss, rather than to changes in the rate of exchange between his own currency and the currency in which damages were awarded. It was in fact the plaintiff's loss, not the currency of expenditure, which was the basis of the claim. The court was also influenced by the difficulties of compensating a plaintiff for the total loss of a ship, or other valuable chattel, in any currency but his own.

There was nothing in the facts of the case to prevent the application of the plaintiff's currency solution and the court regarded United States dollars as the appropriate foreign currency for the respondents' claim. Accordingly, the judgment of Mr Justice Brandon would be set aside and the respondents would be granted a declaration that they were entitled to recover reasonable loss and expenditure expressed in United States dollars or the sterling equivalent of such amount at the date of payment.

Leave to appeal was granted. Solicitors: Holman, Fenwick & Willan; Hill, Dickinson & Co.

period of six weeks.

Expediting decree absolute

## Text of judgment in guardsman's case

In view of the public criticism of the judgment of the Court of Appeal, Criminal Division, in the case of Regina v. Hodswords, Page 17 by the Registrar of Criminal Appeals that Mr Justice Wilm's judgment was misrepresented, we have decided to publish it in full. We apologize for printing passages of such a sickening nature, but feel that this transcript is necessary to enable readers to form their own judgment.

Mr Justice Wilm, giving the judgment, said:

This is as difficult a case to deal with as it is possible to imagine.

On March 8, 1977, at Norwich Crown Court, the appellant pleaded guilty, at the end of the prosecution case, to inflicting grievous bodily harm on a girl 17 years of age. He was sentenced to three years' imprisonment on that count. He also pleaded guilty to indecent assault upon the same girl. He was sentenced to 18 months' imprisonment for that offence, concurrent with the other sentence. The total sentence was one of three years' imprisonment.

The appellant was aged 18 last summer. On August 8, 1976, he met a 17-year-old girl in Great Yarmouth. An association sprang up between them in a very short time. At about 1.30 in the morning they walked together and eventually found themselves in a park. The appellant wanted to have sexual intercourse with the girl. She refused. There then ensued a struggle. The appellant tried to force her to have sexual intercourse with him, but she did not want to know. He started forcing her to have sexual intercourse with him, but she did not want to know. He started forcing her to have sexual intercourse with him, but she did not want to know.

still there, in order to call for help. Then the appellant, with one hand still inside her, pulled the top of her dress with the other hand, nipping her with his teeth. She shouted out "Get off me, I don't want you". In order that the man near by could hear, Mrs. Fuxon says, and there is no reason not to rely on Mrs. Fuxon, that the girl never said that in the course of her evidence.

There came a stage when the appellant took his hand out of her vagina and started apologizing for what he had done, saying that he had been stupid for doing it. Clearly this went on for a long time. They sat in a shelter in the park, talking to each other. The appellant kept on saying what a fool he was, because he could recognize someone who was decent. I interpose to say indeed this girl was a decent girl.

She told the appellant that she was a virgin in order to get rid of him. She started crying. The appellant tried to calm her down and then once more, according to her, he pushed his hand into her vagina. She kept trying to get away from him, but he kept on with her. Then he got extremely annoyed and grabbed hold of her round the bottom of her ribs and squeezed. Then he pulled her up and started forcing her to have sexual intercourse with him. After that he got hold of her, sat her on his lap and started digging his fingers into her kidneys.

Her evidence, however, it appeared from the written statement, was clearly supported by the evidence given by the doctor at the Great Yarmouth hospital. He examined the girl at 11.30 in the morning of the same day. He found lacerations of both labes consistent with ear rings having been wrung out. There was a bruise on the right side of the neck, a very swollen vulva, bruised on the inside and a graze on the ankle. He carried out an examination and said that the extreme swelling of the vulva would have caused extreme pain which he had only seen in cases of recent childbirth. Again the injury was not consistent with normal intercourse and a great deal of force would have been necessary.

that at least one of the ribs is fractured. The girl herself thought that two had been fractured.

As it was said by Lord Justice Roskill during the course of the argument, it is probable that this girl would have been less severely injured if in fact she had submitted to rape by the mere threat of force rather than force being applied in the manner that it was. It is impossible in this case to say that the learned judge who imposed a total sentence of three years' imprisonment was wrong in principle.

In the grounds of appeal it is suggested that the learned judge was justified in saying that of the restrictions imposed upon him by section 3 of the Criminal Justice Act, 1961. One knows that that particular section is the process of being revised, in the sense that a Bill is going through Parliament in order to take away the restrictions imposed upon the courts in dealing with offenders under the age of 21. That cannot influence this court in the slightest. The appellant was a young man of 18 years of age. He was sentenced to three years' imprisonment, alternatively a sentence of six months' imprisonment or, again in the alternative, a sentence of three years' imprisonment.

Clearly the violence in this case was such that the learned judge was justified in saying that of the alternative approaches to be adopted, a sentence of three years' imprisonment was justified.

to serve any sentence of imprisonment of 90 days or more, then his career in the Armed Forces would be at an end.

It does not seem to this court that the appellant is a criminal in the sense in which that word is used frequently in these courts. Clearly he was a man who, on the night in question, allowed his enthusiasm for sex to overcome his normal good behaviour. He bitterly regrets it. He converted from a law-abiding citizen, apart from this one occasion, into one who would get a criminal instinct while his sentence of imprisonment. It is with a good deal of diffidence, and without any criticism of the learned judge below, that the court takes a very merciful view in this case. It will impose a sentence of six months' imprisonment suspended for a period of two years. It takes into account the fact that the appellant has already served a number of months in prison and that by itself might make him reflect for a very long time before he ever engages or thinks of engaging in behaviour of this sort in the future.

Lord Justice Roskill, who presided, addressing Hodswords, said: How fortunate you are you probably now realize, and I have no doubt, as Mr Justice Wilm said, you are bitterly ashamed and bitterly regret what happened that night. The only reason we are taking this course is because we do not want to see your career in ruins forever, richly as you deserve that three-year sentence. The substituted sentence of six months' imprisonment suspended for two years means that if at any time during the next two years you commit any other offence of any kind, you will be liable to be imprisoned, not only for that offence, but for this offence for which the six months' sentence is imposed. The best thing you can do now to make amends is to go back to your unit and continue to serve your country.

The third member of the court was Mr Justice Slynn. Mrs Margaret Fuxon appeared on behalf of Hodswords.

## Attacks on punk rock group outside public house

By Clive Borrell and Kenneth Gosling

Police are investigating two attacks on members of the Sex Pistols, the punk rock group, outside a public house in Highbury, north London.

The group's leader, known as Johnny Rotten, was taken to hospital after being slashed on the face. The police are also investigating a case of criminal damage to a coat valued at £80 worn by one of the group when they were set upon on leaving the public house.

Reports that a third member



PARLIAMENT, June 21, 1977

## Statement promised on helping disabled to buy or lease cars

Mr. David Ennals, Secretary of State for Social Services, said that he hoped to make a statement at the end of the session on the Royal Association for Disability and Rehabilitation to provide car purchase loans for disabled people in the greatest need, in some support from the Government.

Mr. Ennals said that the Government had been asked to make a statement on the Royal Association for Disability and Rehabilitation to provide car purchase loans for disabled people in the greatest need, in some support from the Government.

Mr. Ennals said that the Government had been asked to make a statement on the Royal Association for Disability and Rehabilitation to provide car purchase loans for disabled people in the greatest need, in some support from the Government.

Mr. Ennals said that the Government had been asked to make a statement on the Royal Association for Disability and Rehabilitation to provide car purchase loans for disabled people in the greatest need, in some support from the Government.

## Prospects better than for decades

Despite what the Opposition said, nothing could alter the fact that Britain's prospects for 1978 to 1982 were the best for decades, Mr. James Callaghan, Prime Minister, said.

Mr. Callaghan said that the Government was confident that the economy would continue to grow and that the prospects for the future were bright.

## Government defeat on redundancy fund Bill

House of Lords

Any sensible economic plan at present would require a Bill which would encourage employers to be more willing to take on new employees to assist the general purpose of getting people to move from jobs which were no longer needed into new jobs which were growing.

Lord George-Brown said that the Government was confident that the economy would continue to grow and that the prospects for the future were bright.

Lord George-Brown said that the Government was confident that the economy would continue to grow and that the prospects for the future were bright.

Lord George-Brown said that the Government was confident that the economy would continue to grow and that the prospects for the future were bright.

Lord George-Brown said that the Government was confident that the economy would continue to grow and that the prospects for the future were bright.

Lord George-Brown said that the Government was confident that the economy would continue to grow and that the prospects for the future were bright.

## Worker participation in occupational pension schemes

The Government was still considering a pension Bill based on its White Paper about the role of trade unions in running occupational pension schemes and was expected to be able to make an announcement in the not too distant future, Mr. Stanley Orme, Minister for Social Security, indicated at a question time.

Mr. Robert Macmillan (Barnet and Hendon, C) asked if the Secretary of State still planned to introduce legislation in the current session requiring trade unions to occupy half the trustee positions under an occupational pension scheme.

Mr. Orme (Salisbury, West, C) said that the Government was still considering a pension Bill based on its White Paper about the role of trade unions in running occupational pension schemes and was expected to be able to make an announcement in the not too distant future.

## Mr Ennals defends his choice of chairmen

Questioned on the appointment of chairmen to a new health authority, Mr. David Ennals, Secretary of State for Social Services, said it was his task to see that the best men for the job.

Mr. Ennals said that he was confident that the chairmen chosen for the health authority were the best available and that they would do a good job.

Mr. Ennals said that he was confident that the chairmen chosen for the health authority were the best available and that they would do a good job.

Mr. Ennals said that he was confident that the chairmen chosen for the health authority were the best available and that they would do a good job.

Mr. Ennals said that he was confident that the chairmen chosen for the health authority were the best available and that they would do a good job.

Mr. Ennals said that he was confident that the chairmen chosen for the health authority were the best available and that they would do a good job.

Mr. Ennals said that he was confident that the chairmen chosen for the health authority were the best available and that they would do a good job.

Mr. Ennals said that he was confident that the chairmen chosen for the health authority were the best available and that they would do a good job.

Mr. Ennals said that he was confident that the chairmen chosen for the health authority were the best available and that they would do a good job.

Mr. Ennals said that he was confident that the chairmen chosen for the health authority were the best available and that they would do a good job.

Mr. Ennals said that he was confident that the chairmen chosen for the health authority were the best available and that they would do a good job.

Mr. Ennals said that he was confident that the chairmen chosen for the health authority were the best available and that they would do a good job.

Mr. Ennals said that he was confident that the chairmen chosen for the health authority were the best available and that they would do a good job.

## Need for permanent intervention powers to deal with prices

When the report stage of the Price Commission Bill began, Mrs. Sally Oppenheim, Chief Executive of the Consumers' Association, said that the Government should have permanent intervention powers to deal with prices.

Mrs. Oppenheim said that the Government should have permanent intervention powers to deal with prices.

Mrs. Oppenheim said that the Government should have permanent intervention powers to deal with prices.

Mrs. Oppenheim said that the Government should have permanent intervention powers to deal with prices.

Mrs. Oppenheim said that the Government should have permanent intervention powers to deal with prices.

Mrs. Oppenheim said that the Government should have permanent intervention powers to deal with prices.

Mrs. Oppenheim said that the Government should have permanent intervention powers to deal with prices.

Mrs. Oppenheim said that the Government should have permanent intervention powers to deal with prices.

Mrs. Oppenheim said that the Government should have permanent intervention powers to deal with prices.

Mrs. Oppenheim said that the Government should have permanent intervention powers to deal with prices.

Mrs. Oppenheim said that the Government should have permanent intervention powers to deal with prices.

Mrs. Oppenheim said that the Government should have permanent intervention powers to deal with prices.

Mrs. Oppenheim said that the Government should have permanent intervention powers to deal with prices.

Mrs. Oppenheim said that the Government should have permanent intervention powers to deal with prices.

## Bill to check quality of investment rejected

Mr. Douglas Hoyle (Nelson and Colne, Lab) said that the Government should have a Bill to check the quality of investment.

Mr. Hoyle said that the Government should have a Bill to check the quality of investment.

Mr. Hoyle said that the Government should have a Bill to check the quality of investment.

Mr. Hoyle said that the Government should have a Bill to check the quality of investment.

Mr. Hoyle said that the Government should have a Bill to check the quality of investment.

Mr. Hoyle said that the Government should have a Bill to check the quality of investment.

Mr. Hoyle said that the Government should have a Bill to check the quality of investment.

Mr. Hoyle said that the Government should have a Bill to check the quality of investment.

Mr. Hoyle said that the Government should have a Bill to check the quality of investment.

Mr. Hoyle said that the Government should have a Bill to check the quality of investment.

Mr. Hoyle said that the Government should have a Bill to check the quality of investment.

Mr. Hoyle said that the Government should have a Bill to check the quality of investment.

Mr. Hoyle said that the Government should have a Bill to check the quality of investment.

Mr. Hoyle said that the Government should have a Bill to check the quality of investment.

## University news

Oxford  
Elections  
The University of Oxford has elected a new governing body, the University Council, which will be responsible for the day-to-day running of the university.

Oxford  
Elections  
The University of Oxford has elected a new governing body, the University Council, which will be responsible for the day-to-day running of the university.

Oxford  
Elections  
The University of Oxford has elected a new governing body, the University Council, which will be responsible for the day-to-day running of the university.

Oxford  
Elections  
The University of Oxford has elected a new governing body, the University Council, which will be responsible for the day-to-day running of the university.

Oxford  
Elections  
The University of Oxford has elected a new governing body, the University Council, which will be responsible for the day-to-day running of the university.

Oxford  
Elections  
The University of Oxford has elected a new governing body, the University Council, which will be responsible for the day-to-day running of the university.

Oxford  
Elections  
The University of Oxford has elected a new governing body, the University Council, which will be responsible for the day-to-day running of the university.

Oxford  
Elections  
The University of Oxford has elected a new governing body, the University Council, which will be responsible for the day-to-day running of the university.

Oxford  
Elections  
The University of Oxford has elected a new governing body, the University Council, which will be responsible for the day-to-day running of the university.

Oxford  
Elections  
The University of Oxford has elected a new governing body, the University Council, which will be responsible for the day-to-day running of the university.

Oxford  
Elections  
The University of Oxford has elected a new governing body, the University Council, which will be responsible for the day-to-day running of the university.

Oxford  
Elections  
The University of Oxford has elected a new governing body, the University Council, which will be responsible for the day-to-day running of the university.

Oxford  
Elections  
The University of Oxford has elected a new governing body, the University Council, which will be responsible for the day-to-day running of the university.

Oxford  
Elections  
The University of Oxford has elected a new governing body, the University Council, which will be responsible for the day-to-day running of the university.

## Police charge against Mrs Audrey Wise

The Speaker (Mr. George Thomas, Cardiff, West) said he had received a letter from the Commissioner of the Police of the Metropolis (Sir John Huggins) in the following terms:

The Speaker (Mr. George Thomas, Cardiff, West) said he had received a letter from the Commissioner of the Police of the Metropolis (Sir John Huggins) in the following terms:

The Speaker (Mr. George Thomas, Cardiff, West) said he had received a letter from the Commissioner of the Police of the Metropolis (Sir John Huggins) in the following terms:

The Speaker (Mr. George Thomas, Cardiff, West) said he had received a letter from the Commissioner of the Police of the Metropolis (Sir John Huggins) in the following terms:

The Speaker (Mr. George Thomas, Cardiff, West) said he had received a letter from the Commissioner of the Police of the Metropolis (Sir John Huggins) in the following terms:

The Speaker (Mr. George Thomas, Cardiff, West) said he had received a letter from the Commissioner of the Police of the Metropolis (Sir John Huggins) in the following terms:

The Speaker (Mr. George Thomas, Cardiff, West) said he had received a letter from the Commissioner of the Police of the Metropolis (Sir John Huggins) in the following terms:

The Speaker (Mr. George Thomas, Cardiff, West) said he had received a letter from the Commissioner of the Police of the Metropolis (Sir John Huggins) in the following terms:

The Speaker (Mr. George Thomas, Cardiff, West) said he had received a letter from the Commissioner of the Police of the Metropolis (Sir John Huggins) in the following terms:

The Speaker (Mr. George Thomas, Cardiff, West) said he had received a letter from the Commissioner of the Police of the Metropolis (Sir John Huggins) in the following terms:

The Speaker (Mr. George Thomas, Cardiff, West) said he had received a letter from the Commissioner of the Police of the Metropolis (Sir John Huggins) in the following terms:

The Speaker (Mr. George Thomas, Cardiff, West) said he had received a letter from the Commissioner of the Police of the Metropolis (Sir John Huggins) in the following terms:

The Speaker (Mr. George Thomas, Cardiff, West) said he had received a letter from the Commissioner of the Police of the Metropolis (Sir John Huggins) in the following terms:

The Speaker (Mr. George Thomas, Cardiff, West) said he had received a letter from the Commissioner of the Police of the Metropolis (Sir John Huggins) in the following terms:

## Latest will

£50,000 to benefit handicapped children

Mrs Eileen Mary Stroud, of Foulness, Essex, has left a will which provides for the payment of £50,000 to the National Society for the Prevention of Blindness.

Mrs Eileen Mary Stroud, of Foulness, Essex, has left a will which provides for the payment of £50,000 to the National Society for the Prevention of Blindness.

Mrs Eileen Mary Stroud, of Foulness, Essex, has left a will which provides for the payment of £50,000 to the National Society for the Prevention of Blindness.

Mrs Eileen Mary Stroud, of Foulness, Essex, has left a will which provides for the payment of £50,000 to the National Society for the Prevention of Blindness.

Mrs Eileen Mary Stroud, of Foulness, Essex, has left a will which provides for the payment of £50,000 to the National Society for the Prevention of Blindness.

Mrs Eileen Mary Stroud, of Foulness, Essex, has left a will which provides for the payment of £50,000 to the National Society for the Prevention of Blindness.

Mrs Eileen Mary Stroud, of Foulness, Essex, has left a will which provides for the payment of £50,000 to the National Society for the Prevention of Blindness.

Mrs Eileen Mary Stroud, of Foulness, Essex, has left a will which provides for the payment of £50,000 to the National Society for the Prevention of Blindness.

Mrs Eileen Mary Stroud, of Foulness, Essex, has left a will which provides for the payment of £50,000 to the National Society for the Prevention of Blindness.

Mrs Eileen Mary Stroud, of Foulness, Essex, has left a will which provides for the payment of £50,000 to the National Society for the Prevention of Blindness.

Mrs Eileen Mary Stroud, of Foulness, Essex, has left a will which provides for the payment of £50,000 to the National Society for the Prevention of Blindness.

Mrs Eileen Mary Stroud, of Foulness, Essex, has left a will which provides for the payment of £50,000 to the National Society for the Prevention of Blindness.

Mrs Eileen Mary Stroud, of Foulness, Essex, has left a will which provides for the payment of £50,000 to the National Society for the Prevention of Blindness.

## Equity sought in NHS funds

Mr. John Owen (Gravesend, Lab) asked the Secretary of State for Social Services to establish a fund for the NHS.

Mr. Owen said that the Government should establish a fund for the NHS.

Mr. Owen said that the Government should establish a fund for the NHS.

Mr. Owen said that the Government should establish a fund for the NHS.

Mr. Owen said that the Government should establish a fund for the NHS.

Mr. Owen said that the Government should establish a fund for the NHS.

Mr. Owen said that the Government should establish a fund for the NHS.

Mr. Owen said that the Government should establish a fund for the NHS.

Mr. Owen said that the Government should establish a fund for the NHS.

Mr. Owen said that the Government should establish a fund for the NHS.

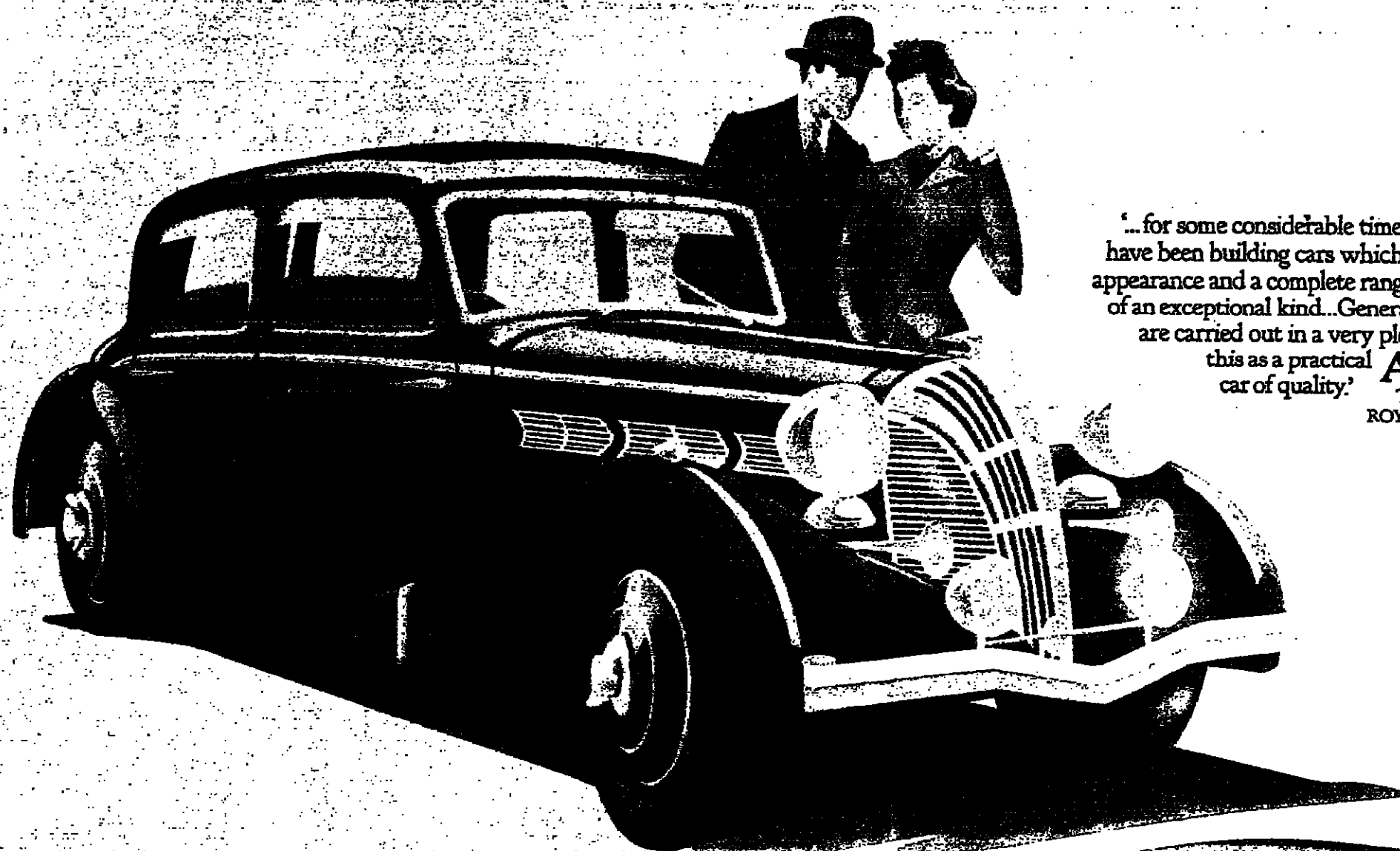
Mr. Owen said that the Government should establish a fund for the NHS.

Mr. Owen said that the Government should establish a fund for the NHS.

Mr. Owen said that the Government should establish a fund for the NHS.

Mr. Owen said that the Government should establish a fund for the NHS.



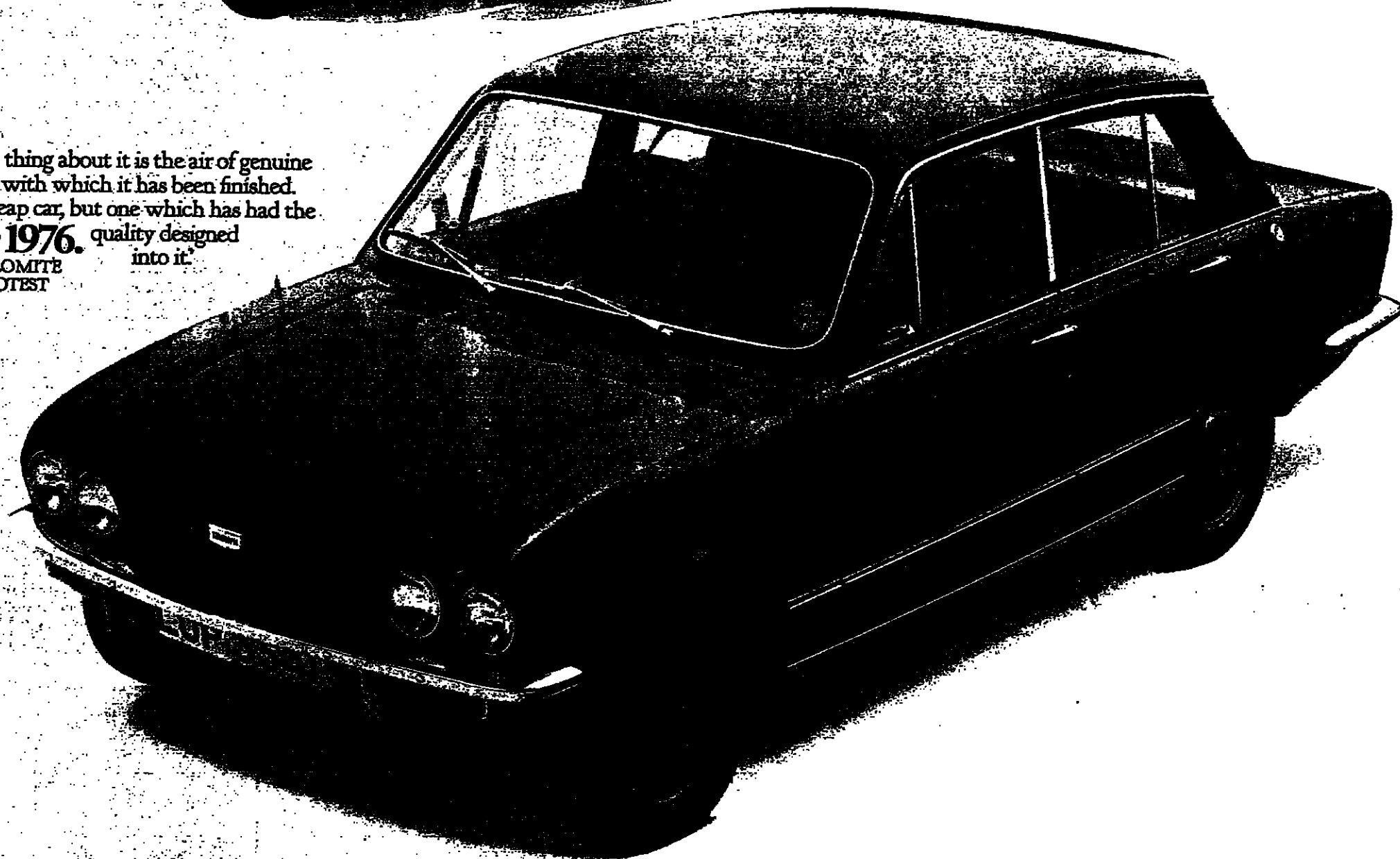


'...for some considerable time past the Triumph Company have been building cars which combine a smart and distinctive appearance and a complete range of equipment with performance of an exceptional kind. General detail work and interior finish are carried out in a very pleasing fashion, distinguishing this as a practical car of quality.'

**Autocar 1938.**  
TRIUMPH DOLOMITE  
ROYAL SALOON ROAD TEST

'...the most impressive thing about it is the air of genuine quality and the care with which it has been finished. It is not a dolled-up cheap car, but one which has had the quality designed into it.'

**Autocar 1976.**  
TRIUMPH DOLOMITE  
1500HL AUTOTEST



# It's good to see that Autocar's standards haven't declined over the years.

Using the quotations from motoring magazines to sell cars is as old as motoring magazines themselves.

And Autocar was first published in 1895.

But you can learn a lot about a particular make of car by comparing road tests down through the years.

The two reviews above are separated by nearly forty years, and yet they're both saying essentially the same thing. They're even using much the same words.

The 1938 Triumph Dolomite was impressive for the quality of its finish and the range of its equipment.

The modern Triumph Dolomite is similarly praised. (With 35 'extras' fitted as standard, it's hardly surprising).

But the most significant word the two reports have in common, we modestly submit, is the word 'Quality'.

In fact, the more recent Autocar report concludes with the following words:

'The appeal of the Dolomite, its air of quality without the drawbacks—for many buyers—of excessive size and unnecessary performance, is obvious and should stand it in good stead.'

If the Autocar road test in the year 2016 is equally as flattering, they will have proved themselves right yet again.



**Dolomite. A triumph of British engineering.**  **Triumph** 

From Leyland Cars. With Supercover.

TRIUMPH DOLOMITE PRICES RANGE FROM £2640.00 FOR THE DOLOMITE 1300 TO £4421.43 FOR THE DOLOMITE SPRINT. PRICES INCLUDE INERTIA REEL SEAT BELTS, CAR TAX AND VAT, DELIVERY AND NUMBER PLATES EXTRA.





Because they are only subsonic they are very vulnerable. On the other hand they can fly at below 100ft, ducking beneath enemy radar screens. This is one reason why the

President Carter's lack of generosity may have been partly prompted by two separate British and German diplomatic delegations which visited Washington in March, before the ill-fated visit to Moscow by Mr Vance. Both countries, ostensibly there "to consult", took the opportunity of reminding the Americans that Nato as an alliance had a use

assurances that it is not moving towards one. But by 1980 a Conservative Government might be in power and its outlook may be very different.

If this Government did resolve to procure a successor to the Polaris deterrent, it would have a limited range of options. One would be to build a new quartet of submarines with an all-British ballistic mis-

**Henry Stanhope**  
Defence Correspondent

## Bernard Levin

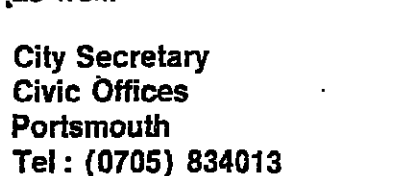
The very fact of the German defeat provided the solvent that was to eat away at the bonds tying the PoWs to their Nazi-instilled group identification. But the breaking of the bonds was not enough — men who ceased to identify themselves and their country with National Socialism and Hitler did not — could not — automatically

When fraternization ceased to be forbidden between the PoWs and the British civilians among whom they lived (and, to a considerable extent,

Nonetheless it has been successful. The object has been attained. The knowledge of the enormous debt that the civilization of the West owes to the East, blotted out the contention that we Americans should be forcibly re-educated, that we had something to learn, that we were obliged to accept the role of passive pupils. But the deeper intention, re-adjustment and change of attitude, has been accomplished. It is shown that we have reached a method that was never intended, as though by the back door. But re-education is there.

© Times Newspapers Ltd 1977

## City of the S



**Campoli to play Max Bruch in Kidbrooke, says a Greenwich Festival leaflet, with straight face. "One is tempted to ask who is most likely to win", writes Mr A. Ransome, of Elephant & Castle, Greenwich.**

He did not think there was much point in discussing details about how, for instance, a change of government could be effected under these proposals, or how a person's right of

However, the Government had learnt lessons from the lean period, particularly about the need for more irrigation schemes.

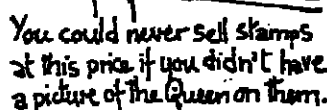
But it was the huge amounts of overseas capital from world

organizations and from the industrial countries that was most encouraging, he emphasized. To take some random examples from a long list, he could cite Saudi Arabian money helping to build a big new hydro-electric scheme at Aswan, Egyptian money going into dams at But, and British investment in an oil palm scheme.

The rosy picture the general paints leaves some questions unanswered, some appearing more serious than they need be. The flow of information from Accra is far from perfect. One is left wondering, for instance, about the Government's need to pass a draconian decree providing five years' imprisonment for rumormongers. And why have the reinforcements suddenly been announced of the head of the navy and the governor of the Bank of Ghana, both relatively young men? No doubt there is much to be learned. But plenty the information does not flow faster than the rumours.

## Kenneth MacKenzie

**Campoli to play Max Bruch in Kidbrooke, says a Greenwich Festival leaflet, with straight face. "One is tempted to ask who is most likely to win", writes Mr A. Ransome, of Elephant & Castle, Greenwich.**



1. *Journal of the American Medical Association*, 1997; 278: 1039-1044.

The walk should bring in about £10,000 (a record) and this will mean that more bungalows can be built at The Retreat, Kings Langley, for old and retired members of the book trade. Bookrest is the appeal that is made on behalf of the Book Trade Benevolent Society and must be an especially worthy cause in this Jubilee Year.

It comes up with the staggering provisional total of \$100 million (about £58 million).

Former President Nixon's share is estimated at \$1,600,000, from his memoirs and the Frost interviews.

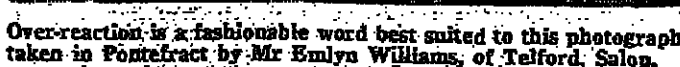
lives in Marrakesh.

The 20th International Dairy Congress (you guessed) has been arranged with the object of solving the economic and technical problems facing the dairy industry; but, as M. Jean Mirlande (the president of the economic commercial committee of the Congress) pointed out, politics ought not to come into it. Tell that to the cow.

lives in Marrakesh.

much money has been made out of the scandal by the principal actors, writers, lawyers *et al.* It comes up with the staggering provisional total of \$100 million (about £58 million).

Former President Nixon's share is estimated at \$1,600,000, from his memoirs and the Frost



\_\_\_\_\_



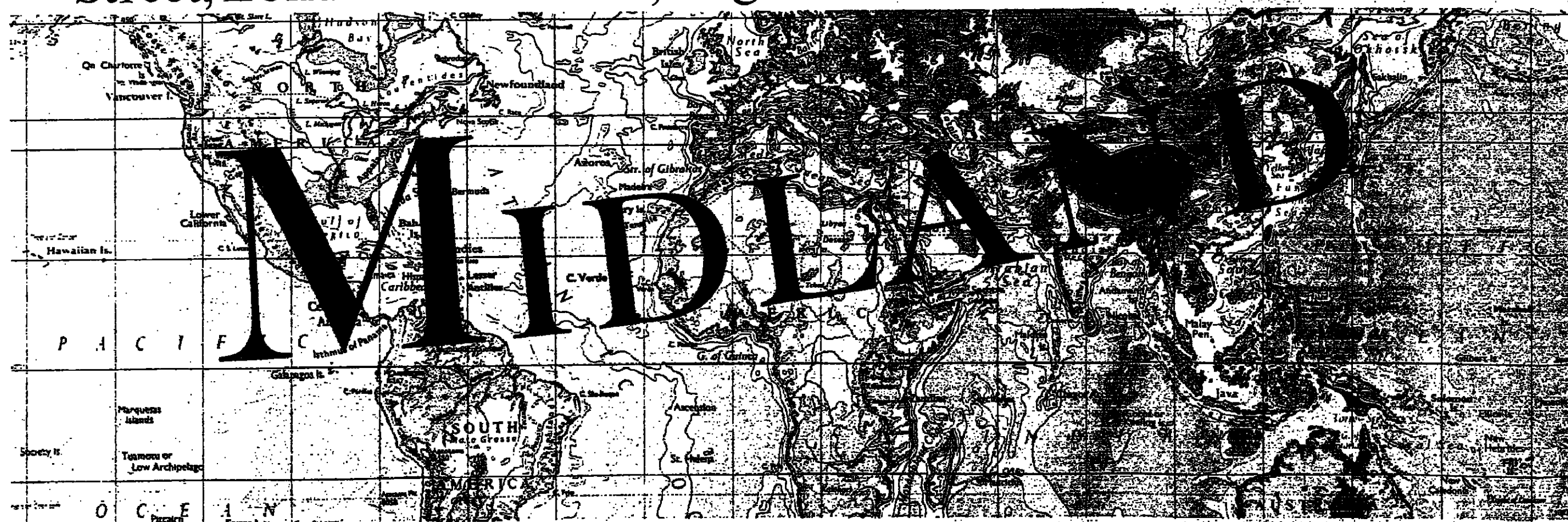




# We deliver.

**Help with exports:** We provide up to date, relevant information on export markets. We can advise you on international economic conditions and help you identify market opportunities. And we back this up with a world-wide range of financial, marketing and commercial services to help you finalise your export deals.

**TEST US:** Contact Frank Dunphy, Manager, Trade Development, Tel. London 606 9944, ext. 4364, telex 888401 or write, Midland Bank Limited, International Division, 60 Gracechurch Street, London EC3P 3BN, England.



**Midland Bank International**  **Delivers.**







## Small demand for gilts

ACCOUNT DAYS: Declines Begin: June 13; Declines End: June 24; Contango Day: June 27; Settlement Day: July 5

§ Forward bargains are permitted on two previous days.

[illegible]

led oil  
drawn  
Iran  
Abad

country

ed expert:



100

100


100

1950

\_\_\_\_\_

... ..

1990年12月



100-443887-100







## Unions to seek NEB support for telecommunications industry

By R. W. Shakespeare

Union leaders are to call on the Government to set up a single telecommunications manufacturing company, with involvement by the National Enterprise Board, to ensure the long-term viability of the British industry.

This demand results from a motion carried unanimously by delegates to the annual conference of the Confederation of Shipbuilding and Engineering Unions in Scarborough yesterday.

The vote came after Mr Roy Sanderson, the national industrial officer of the electricians and plumbers' union, had told the delegates, who represent some three million workers in 19 unions, that since 1974 the economic recession and the increase in telephone charges had led to cutbacks by the Post Office. These had meant the loss of more than 10,000 jobs in

the telecommunications industry. He said that further cuts of £220m would mean the loss of a further 15,000 jobs in the four main manufacturing companies and another 5,000 jobs in supply industries over the next three to four years. These jobs were mostly in the development areas, he said.

Mr Sanderson blamed the crisis in the industry, which he said could lead to its eventual liquidation, on the policies of the companies and the Post Office in insisting on a telecommunications system that no other country would buy.

This meant that an industry which had once been the leading exporter in its field was now one of the worst performers in overseas markets, and had led to an overdependence on orders by the British Post Office.

The solution, Mr Sanderson said, must be Government intervention to ensure that there

was a single and viable company manufacturing the right system of telecommunications equipment. This solution had to come quickly. He personally would like to see full nationalization of the industry, but he realized that the possible solution probably lay in NEB involvement.

Mr Ken Baker, industrial officer of the General & Municipal Workers Union who supported the motion, said it was a tragedy that most of the jobs due to be lost in firms like Plessey, were in areas such as Liverpool and Sunderland where alternative employment was not available.

He also condemned the other telecommunications manufacturing companies for insisting that if a Post Office move temporarily to prevent some redundancies by renewing orders was made the orders must be shared among them rather than going to the area where the need was most urgent.

## Ford strike continues after failure of talks on lay-off pay

By Christopher Thomas

Labour Reporter

The crippling strike at Ford is to continue after peace talks failed yesterday. All production has stopped at the Dagenham car plant and the Transit van production line at Southampton. Production of heavy trucks at Langley, Buckinghamshire, has been halted.

The strike, which began in the Dagenham body plant after a man was disciplined for not using a piece of equipment properly, has made 16,000 men idle. The showroom value of lost cars is £17m.

But the dispute now centres on a demand for men to be paid if they are laid off through disputes originating inside Ford. Conveners are demanding a "bridging" agreement on the claim before it is discussed at national level talks on July 15 in London.

Those talks are over a new annual agreement for 58,000 hourly-paid workers to operate from October 21. Apart from lay-off pay, the unions will be seeking a 15 per cent pay rise, a 37½ hour working week as a first step towards a 35 hour week, and payment of full shift allowances during holidays.

At present, workers get 80 per cent of normal basic pay if they are laid off for external reasons. The issue has several times in the past caused severe disruption because of industrial action.

Nine full-time union officials from the transport workers' engineers and the general and municipal workers met the management for nearly four hours yesterday and will meet again today. They had five hours of talks on Monday. The company has remained resolute that it will not concede pay to men laid off because of internal disputes.

Mr Sidney Haraway, chairman of the shop stewards' committee in the body plant, said yesterday that the company should have used the agreed grievance machinery before disciplining Mr Olatunji (BBA) Taylor with a three-day suspension.

He added: "Our claim now is that we should have an assurance of no lay-offs until the national negotiations take place, when we will be claiming 80 per cent lay-off pay."

Halewood hopes: Car production continued normally yesterday at the £88m Ford factory at Halewood, Liverpool, which has so far not been affected by the strikes and lay-offs which have brought the Dagenham plant to a standstill.

A management spokesman said yesterday that while they were reviewing the position on a day-to-day basis, they hoped to be able to carry on at least until the end of the week. He said the trouble would come from the drawing of components from other plants.

## Cable and Wireless in Far East venture

Cable and Wireless will purchase up to £10m worth of capacity in a submarine cable system linking the Philippines and Singapore, the company announced yesterday.

The project has been launched by the Eastern Telecommunications Corporation, Incorporated (ETCI) and Telecommunication Authority of Singapore as nominated agents

of their respective governments. A 40 per cent share in ETCI is held by Cable and Wireless.

The cable will be the first link between two countries in the Asian group of nations—Philippines, Singapore, Indonesia, Malaysia and Thailand.

Commercial service is expected before January 1979. Capacity will be up to 1,380 circuits for all types of telecommunication traffic including

telephone, telegraph, telex and data. The undersea cable will span 1,500 nautical miles across the south China Sea between the Currimao cable station in north Luzon and the Katong cable station in Singapore.

Survey of the route was by the Cable and Wireless ship, Recorder, and laying of the cable will be carried out by the company's new ship,

## UK construction work fell by 10 pc in last quarter

Provisional figures show that in April the value of construction work in Great Britain was £647m. Seasonally adjusted this means that the level for the three months February to April was 10 per cent lower than in the previous quarter and 23 per cent lower than in the February to April period last year.

New orders in the public housing sector in the quarter fell by 10 per cent on the previous three months and by 43 per cent against the figure for February to April, 1976. For the same comparative periods, orders in the private housing sector were unchanged and 24 per cent lower, respectively.

### Spirit sales hit

Despite signs of a sharp recovery in sales of vermouth, wine and spirit sales are still depressed, according to the Wine and Spirit Association. Consumption of rum, brandy and liquors was particularly badly hit during the first quarter of this year, all sales

### In brief

being down more than 20 per cent against the same period last year.

### Japan eases controls

Japan's Ministry of International Trade and Industry (MITI) said today it would revise regulations to simplify some import trade control procedures by the end of July. Import reports will be eliminated for cargoes valued under \$3,000 (£1,764) in cases which do not require import licences issued by foreign exchange banks.

### £3.5m dye plant opens

A dye plant costing £3.5m was opened by Yorkshire Chemicals at Leeds yesterday, bringing the company's investment in new buildings and plant at its two Leeds factories to £6.25m in the past four years.

## Frankfurt bank may face £80m damages claim

From Peter Norman

Bonn, June 21

Hessische Landesbank Girozentrale may have to face a suit for damages totalling \$45m Swiss francs (£30.23m) arising from the closure in October, 1974, of the Geneva-based Banque de Crédit Internationale (BCI).

The bank disclosed in Frankfurt today that it had been asked to send a representative to Geneva at the end of July to testify before a judicial hearing organized to determine whether there are grounds for a damages claim.

It is being called at the instigation of the liquidators of BCI, in which the Hessische Landesbank once had a stake of 36.4 per cent. The 345m francs in question is the amount that would be needed to meet in full the claims of BCI's creditors.

It has been alleged that the Hessische Landesbank helped to precipitate the collapse of the Geneva-based bank when it

handed back its stake to Mr. Tibor Rosenbaum, BCI's majority shareholder, the day before the bank closed. Despite repeated denials from Hessische Landesbank, it has also been alleged that it said it would guarantee BCI's activities.

Hessische Landesbank said today that it would send a representative to the hearing, but that this in no way prejudiced its standpoint that there were no outstanding claims against it arising from the former BCI involvement.

The hearing at the end of July could find that there is no case to answer, but it could pave the way for a formal damages suit by the BCI liquidators against the bank, which has made no provision for eventual losses arising out of the dispute.

It has been successful in two court cases in Frankfurt where former customers of BCI tried to extract damages in respect of losses incurred through the closure of the Geneva bank.

## Industrial groups meet ministers

By Our Industrial Editor

The Prime Minister, supported by the Chancellor and other ministers, will today hold the first of his two meetings with members of the sector working parties engaged in developing Britain's strategy for reforming manufacturing industry.

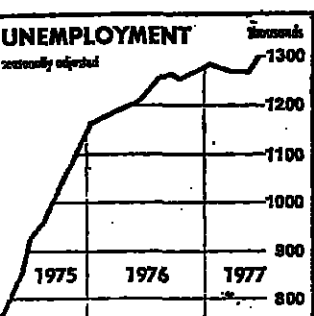
About 90 per cent of time available at the talks, being held at Lancaster House, London, will be allocated to the businessmen and trade union representatives for a fairly free-ranging review of their work.

Leaders from the CBI and the TUC as well as leading civil servants have been invited, along with chairmen of some of the 40 working parties.

Mr Callaghan expressed a wish at the February meeting of the National Economic Development Council to meet people engaged in the detail of the industrial strategy, so that they could put their various ideas and complaints direct to Cabinet ministers and others.

A rough agenda has been prepared, covering such subjects as raising export performance and the scope for import substitution, plus investment and productivity issues. Suggestions on how to relate the strategy to individual company planning are being invited, too.

Two people who will be absent from today's talks will be Mr Varley, Secretary of State for Industry, and Lord Ryder, chairman of the NEB. But the Prime Minister has stressed that the main purpose is for working party members to brief him, for they already have close links with Mr Varley and the NEB, and there are some subjects which many need airing which go beyond normal departmental boundaries.



UNEMPLOYMENT				
The following are the monthly figures for Great Britain released by the Department of Employment yesterday:				
	Total unemployed	Seasonally adjusted	Adults seasonally adjusted	% of total
1976				
June	1,278	1,210	5.3	114
July	1,402	1,237	5.4	117
Aug	1,440	1,256	5.5	124
Sept	1,395	1,266	5.5	124
Oct	1,321	1,256	5.5	123
Nov	1,316†	1,273†	5.5†	†
Dec 1977				
Jan	1,390	1,285	5.8	†
Feb	1,365	1,278	5.5	149
March	1,328	1,268	5.5	156
April	1,336	1,269	5.5	157
May	1,286	1,262	5.5	160
June	1,390	1,298	5.8	156

† Excluding school leavers.  
‡ Figures not available.  
§ Estimates.

REGIONAL UNEMPLOYMENT FIGURES			
The following are the monthly regional unemployment figures, seasonally adjusted, excluding school leavers, released by the Department of Employment yesterday:			
	Number	Change on all-month average	% of total
S East	319,400	+8,500	4.9
E Anglia	35,400	+1,800	5.1
S West	103,600	+2,900	5.5
W Midlands	102,800	+1,200	5.3
E Midlands	73,100	+2,200	4.8
Yorkshire	107,900	+3,300	6.2
W West	102,800	+2,300	6.8
North	101,800	+3,300	7.6
Wales	77,600	+2,800	7.4
Scotland	107,900	+3,800	7.7
Great Britain	1,297,700	+33,600	5.9
Ireland	25,100	+1,300	10.4
UK	1,322,800	+34,900	6.7

## LETTERS TO THE EDITOR

### Safety and the transport of dangerous sea cargoes

From Mrs Elizabeth Young

Sir, The article by Marcel Berling (May 23) published to coincide with the opening of the current session of the United Nations Conference on the Law of the Sea (UNCLOS) III very justifiably concentrated on the problems the conference faces over arrangements to regulate deep sea mining.

There is one problem he didn't mention but which—unlike the profitable exploitation of ferro-manganese nodules—is already upon us, and that is the enormous increase in the transport of liquefied natural gas (LNG). This is an extremely peculiar dangerous cargo which has to be transported at all, has to be kept under pressure at a temperature of minus 161°C.

International trade in LNG is about to increase almost vertically on the graph, but in our highly congested territorial waters, vessels carrying it will enjoy the right of "innocent passage" and, through the Dover Strait, probably wider rights still of "free transit".

These rights will perhaps be mitigated, but only a little, when the Dover Strait's busy traffic system comes into full effect; if a flag state

chooses to do nothing to discipline its ships, they may well remain undisciplined even where traffic schemes are in operation.

In time, there will be second and third-hand LNG carriers, some flying as irresponsible flag states navigated at night by the legendary dog-ear's trained-to-bark, each asking for an accident to happen to it: accidents, beside which oil-tanker accidents are bread and butter.

The UNCLOS negotiating text needs amending so that vessels carrying dangerous cargoes (the anti-dumping conventions list some of them) may enjoy the rights of innocent passage (and of free transit through international straits) only when they can identify themselves as observing all the relevant International Maritime Organisation regulations. Mr Lazard is to attend the conference next week as the Government's special representative: perhaps he may take the opportunity to discuss this matter with his colleagues in New York.

ELIZABETH YOUNG  
100 Baywater Road,  
London W2 3BJ.

### Transport schemes to augment the capacity of motorways

From Mr F. T. Barwell

Sir, The juxtaposition of the letters from Mr Platt and Mr Calvert (June 20) is fortuitous so far as they may in fact lead to a consensus rather than, as a first sight, suggesting a conflict between novel and conventional forms of advanced transport.

Mr Calvert draws attention to the real problem of the future, namely to find means for augmenting the capacity of motorways rather than a need to develop a separate system concerned as giving a new lease of life to the railways.

While it is true that West German studies of "piggyback" showed a slight cost benefit in favour of the development of existing technology, nevertheless they showed that either system would be cost-effective within the context of the West German economy.

### Incentives from added value

From Mr W. Norman

Sir, Reference the correspondence on added value and in particular the letter from Dr E. Jones (June 14), I feel that the description of added value is unnecessarily complicated.

Surely, in simple terms, the manufacturing industry purchases material, by processing that material it adds value to it, and the difference in the material purchase price and selling price equates to the income of the company available for paying all its expenses and making profit. I would see no sense in such a treatment, playing and the like as being a bought-out item of material.

I feel this point is very important because if there was a much wider use of the added value principle for the manage-

ment accounting functions of small to large companies more people could have a real sense of involvement about what it takes for a business to be successful and would provide for a much more open style of management, which is implied in the discussion about participation currently taking place.

In our own case, and we have been using this concept for many years, we find that the dissemination of performance figures downwards definitely stimulates effort as people can see in concrete terms the increase in performance their efforts are bringing about. W. NORMAN, Managing Director, Fenworth Limited, Woodchester, Gloucestershire.

### National Exhibition charges

From Mr R. L. Best

Sir, In Business Diary (15), reference was made to National Exhibition Centre charges for space such that they are as looking at ways of exposing the 1,000,000 sq ft of space.

The priority of the new management and the new security which should be to closely in ways of avoiding appeals in charges to organizers of exhibitions 1978.

BREMA explains their decision to cancel '78 Sight Sound Exhibition, on the basis of 140 per cent increase of 1976 and 1978—an increase which could not be absorbed after a major cost increase. This cancelled the first of many? I think organizers will find that the increased charges, through to the exhibitors, will reduce their participation substantially.

The management of the most surely realize that as a medium which goes with the trade national press and the means by which companies promote their products and services and if exhibitors are competitive, companies use other ways of open their marketing money.

Why is it that the only 16 months, are posing such a dramatic increase in charges? After all, the project on the display of services in conjunction with those provided other halls, in particular, 1 Court and Olympia.

The way things are going could well be that we will see a major cost increase in charges and a v-alphabet in Birmingham. Yours faithfully,

R. L. BEST, Head of Industrial Services, The Incorporated Society of British Advertisers Limited, 2 Basil Street, London SW3 1AG, June 16.

### Economics of coin box refund

From Mr N. M. Hall

Sir, Perhaps the Post Office should set the example savings called for by Mr W. borough (June 14).

The ludicrous system of box refunds for calls which from public call boxes is a point. When a call accepts a 10p piece and for any reason to connect, the operator rather reconnect you will ask for name and address so that 10p can be refunded by the point. When a call ceases 10p is refunded stamps at a cost of a 5p and a 1p envelope. It must be cheaper to reconnect the Yours faithfully, N. M. HALL, 52 Gloucester Street, London, SW1.

# BRIXTON

## ANNUAL REPORT 1976

	1976	1975
Net Rental Income	£4,525,000	£3,909,000
Pre Tax Profit	£1,990,000	£1,628,000
Value of Investment Properties	£83,796,000	£72,240,000
Earnings per Share	3.42p	2.89p

■ Maximum permissible increase in dividend recommended.

■ 1 for 10 Bonus Issue proposed.

■ Surplus of £4,920,000 from revaluation.

■ Funds available to finance all current commitments and undertake further developments where suitable opportunities arise.

Copies of the Report and Accounts for 1976 may be obtained from the Company Secretary, 22-24 Ely Place, London EC1N 6TQ.

**Brixton Estate**

International investors in commercial property

# Minster Insurance Group

Summary of 1976 Consolidated Results and Points from the Statement by the Chairman Mr. Donald S. Pearce

- \* Record pre-tax profit of £5,466,982.
- \* Premium Income increased to £42,087,855.
- \* Book value of total free reserves £16,038,670.
- \* Taking into consideration the market value of quoted investments the free reserves would have exceeded £17,500,000.
- \* In co-operation with our French colleagues of GAN we have already made good progress in the development of our non-motor United Kingdom business and also in expanding our operations overseas.
- \* New Underwriting Room for Fire and Accident opened to improve service to Lloyd's Brokers.
- \* Continued progress is expected in all branches in 1977.

Consolidated Results and Balance Sheet	1976	1975
	£'000	£'000
Premium Income	42,087	34,175
Profit before Tax	5,466	3,735
Total Assets	87,782	70,733
Book value of free reserves	16,038	11,275

Minster Insurance Co. Ltd.,  
Minster House, Arthur Street,  
London EC4R 9BJ.

The Contingency Insurance Co. Ltd.,  
Minster House, Arthur Street,  
London EC4R 9BJ.

Malvern Insurance Co. Ltd.,  
Minster House, Arthur Street,  
London EC4R 9BJ.

The National Motor and Accident Insurance Co. Ltd.,  
109 Paternoster Street, Manchester M40 1PL.



BY THE FINANCIAL EDITOR

## Talk of balloting BP subscriptions

It's offer of BP shares by the Bank of England and the lead under-lycates dared hope. By mid-day some 1,200,000 prospectuses had been distributed. While this may not be an accurate reflection of demand, it will turn out to be an interesting test.

debate now is whether counting, place over the weekend, and which is on present plans to be by the Bank of England's allotment (with, of course, guidelines from the Treasury) will turn out to be an interesting test.

those who have been allowed to preferential consideration— pension funds, BP employees and underwriters (the latter alone asked for 42 per cent of the offer to be earmarked on their behalf) are the Americans have 25 per cent of the issue, the present committee will parcel out a scaled down basis to preferential and small investors. So, even for the fact that the institutions had some share through the under-ference, some large institutional as will not be anywhere near fully

r, the alternative of a ballot would that problem and would also cause both in the American market because The Stock Exchange forced to suspend BP allocations. As such, it is an alternative is likely to be rejected however it may look to the Bank's hard-lotments committee.

### ing ideas of and force'

believe that a further diminution of competition is going to advance this country. Thus Clark, chairman and chief executive of Plessey, the largest individual of the United Kingdom electronics, voiced his bitter disapproval of any suggested government-ationalization or regrouping of under its industrial strategy. seems that Plessey has set itself idea of a "second force" British.

### d in a duller climate

t sentiment about the brewers is ever bedevilled by that compli-gism of political and economic ies which seem to plague the l which if the worst came to the ld really harm future levels of ty in such a volume sensitive

rices are largely discounting now Commission's investigation of beer ally on the view that any extended uld so damage all those lavish vestment plans while any short-e could be comfortably ridden by after its frequent price increases past year.

ie political concern is dying down, growing nerves that the sector as will not be able to maintain the n the back of the past two excep-mers while the continuing 1 of the larger market, which has ders for Bass and Guinness in most slow down soon.

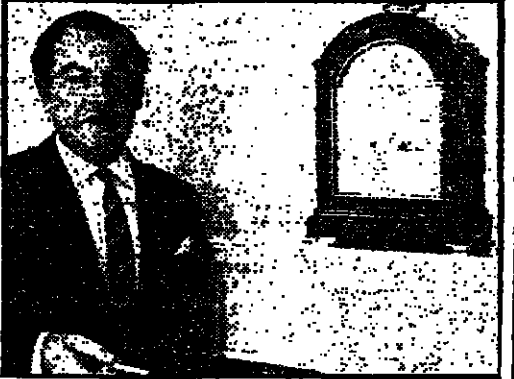
the results have been good produce a slight lift in the market rewers' poor performance relative quity sectors over the last year. moment, price rises of around a er the past year have kept brew- ahead of the game. Not only has ed them to offset cost pressures

electrical company as envisaged by Rascal Electronics.

Nevertheless, there are reasons for thinking that this seemingly immovable stance could yield to the course of events over the next two or three years. One reason is encapsulated in Plessey's final figures which show that the group managed to keep its moving along at an admirable 20 per cent growth rate in the final quarter despite the cumulative effects of the Post Office cuts in orders for telecommunications equipment.

So full-year profits are 14 per cent up at £39.6m on sales up 16 per cent to £569m of which around half actually came from overseas operations. But the visible scars of the Post Office cutbacks show up below the tax line where a £7.7m provision out of a total £11.2m exceptional debit has been made in respect of identifiable costs "at the present time, including plant closures and redundancy payments."

With an order book of £600m—£311m of it from overseas—and a significant switch



Sir John Clark, chairman and chief executive of Plessey.

in products mix particularly towards electronic systems, Plessey looks well-placed to steady out of the doldrums of the past few years, though it is worth noting that its growth on the long-term systems side has in the past been financed from high cash flow provided by telecommunications and components.

So cutbacks like those forced on Plessey by the Post Office could jeopardize the group's attempts to move into the big league of world electronics via its complete systems operations as in the case of the massive micro-wave aircraft landing project for which Plessey is currently vying.

Alternatives could be for Plessey to acquire a cash-generator or to be taken over by a group with strong cash resources. In this respect it is known that Plessey looked at the possibility of a link-up with Thorn some time ago.

Plessey's shares closed unmoved last night at 78p where they remain the income stock of the sector yielding 9.6 per cent on a p/e ratio of around 12.

The new Spanish Government headed by Premier Adolfo Suárez is expected to give high priority to solving Spain's critical economic problems— provided the opposition parties will let it.

Before last week's general election, as the head of the second post-Franco government, Señor Suárez had put off any attempt to sort out the economy in order to dedicate his attention to pressing political matters as he led his country towards democracy.

But further procrastination could be disastrous. With a foreign debt which could amount to \$14,000m by the year's end, gloomy export prospects, inflation running at 23 per cent, according to official figures and 33 per cent according to reliable unofficial estimates, one million unemployed and investments suffering from financial anarchy, the country is in need of sound remedies—and quickly.

The electoral programme of Señor Suárez's victorious political movement, the Centre Democratic Union (UCD), calls

## Now Spain must look to its economy

for cutting inflation by half by next July and bringing it within the average of members of the European Economic Community by the end of another year.

To do this the UCD says that it will employ a realistic monetary policy, keeping the deficit of the public sector under tight control. As for private enterprise, it says it intends to promote easier credit.

Once the owners of private businesses and industries find their situation improving, according to the movement's programme, they will be encouraged or obliged to increase their investments rather than their dividends. The programme adds, quite reasonably, that workers cannot continue to support the economic burden of rising prices which diminish their buying power.

The movement also promised to expand and improve public services and social welfare plans, intervening in education, public health, housing, sport and cultural activities, transport and information. At the same time it said that it would

reduce the national debt after revising the financing of that debt.

The UCD claims that it will help small farmers, more profitable and will expropriate potentially productive unused land.

To get the money it will need Señor Suárez's political movement has announced a firm attitude to income taxes, something which the Franco dictatorship and the first two governments of the monarchy never had. Tax reform, in the estimate of the UCD planners, is "one of the principal objectives... part of the political transition and the only valid instrument with which to achieve social equality... and pay due attention to the country's social needs."

The wage-price policy to which the Prime Minister is committed regards full employment as a basic aim and seeks to reduce inflation in order to boost investors' confidence. The UCD would act to make the labour force more flexible and invest state funds to create work in places where the unemployment level was excessively high. It would offer tax

incentives to businessmen, based on the creation of jobs. The movement confidently predicts that the balance of payments will be brought within satisfactory limits by regulating domestic consumption, making export promotion policies more effective, keeping the growth of imports within moderate levels and taking firm action to prevent the flight of capital. It also affirms its intention of integrating Spain into the various European organizations.

Señor Suárez is said to believe that "moderation of the growth rate must be negotiated and accepted by Spaniards within a democratic framework, with full trade union freedom and with the immediate application of tax reform measures."

"The sacrifice of income will require controls on prices of basic products, energy, public services and other things, and increases will be pegged exclusively to rising costs."

This part of the economic programme, probably the most essential, the part which is expected to give Señor Suárez the most headaches. In language which avoids the nasty phrase

"wage ceilings" it seems to propose just that.

Factory wages have been rising by about 25 per cent per year for several years in Spain and this increase has had an important effect on the ever-expanding wage-price spiral.

In what looks like an attempt to sugar-coat the wage control pill, the UCD promises adequate revisions, gradual reduction of the social security tax and better unemployment compensation.

But the country's newly legalized trade unions, still anxious to show the workers what they can do for them, will stand a lot of convincing if they are to go along with any measure to keep workers from earning more.

The country's main trade union organizations are, of course, linked to the Spanish Communist Party. If Señor Suárez hopes to keep the workers on the job he may have to make ample concessions to the Left, whose combined voting power in the congress of deputies, or lower house, almost equals that of the UCD.

Harry Debelius

## Industry finds new favour with graduate job-hunters

Rosemary Brown

There is a note of cautious but growing optimism about the job prospects for this year's graduates. Within days their examinations will be a difficult year for graduates. For a start, the numbers seeking employment are up by about 6,000, compared with last summer. Equally, the number of vacancies is up, although in the event not as depressing as predicted—certainly provide no cause for jubilation. At the end of December, 5.5 per cent of graduates were unemployed, compared with a further 4.5 per cent in temporary jobs.

In any case, the sudden rush of vacancies may be misleading. Tony Felix, managing director of New Opportunity Press, which publishes Go, believes that the present activity may be partly the result of employers failing to meet their initial targets and so entering the market at a late time to make up the shortfall.

He explains that what appears to have been happening is that, in consequence of the unemployment figures, graduates have been chasing more openings than normal and that, in consequence, some two or three job offers, the more impressive candidates have attracted double the number. So companies, faced with rejections, are belatedly finding that they are below their quota intake.

list now looks the fullest and best for three years.

Yet, for all the cheer, the experts continuously emphasize that there will be a difficult year for graduates. For a start, the numbers seeking employment are up by about 6,000, compared with last summer. Equally, the number of vacancies is up, although in the event not as depressing as predicted—certainly provide no cause for jubilation. At the end of December, 5.5 per cent of graduates were unemployed, compared with a further 4.5 per cent in temporary jobs.

In any case, the sudden rush of vacancies may be misleading. Tony Felix, managing director of New Opportunity Press, which publishes Go, believes that the present activity may be partly the result of employers failing to meet their initial targets and so entering the market at a late time to make up the shortfall.

He explains that what appears to have been happening is that, in consequence of the unemployment figures, graduates have been chasing more openings than normal and that, in consequence, some two or three job offers, the more impressive candidates have attracted double the number. So companies, faced with rejections, are belatedly finding that they are below their quota intake.

### Opportunities

The fact that the elite may have received six offers is no criterion for supposing that there will be jobs for all. True, there is now a resurgence of opportunities for those who have not yet been placed, but it is widely held that, when the final count is made, some appointments will remain unfilled, while at the same time some candidates will still be hunting for interviews. The market is very different from last summer's and, while new openings have materialized, many of the classic graduate avenues are effectively closed.

The most significant feature of the 1977 vacancy list is the big shift from public to private sector employment. David Doidge, the chairman of SCOEC, which represents 270 employers and (excluding teaching) accounts for half of all graduate recruitment, says that over the past two years demand from the Civil Service and local and regional authorities has been cut by half. Against this, there has been a sharp increase from industry, with manufacturing up 30 per cent this year and commerce generally showing a rise of about 20 per cent.

Among the worst affected

selling and insurance being prime examples. One explanation is that graduates are being given first crack at the jobs, in preference to school-leavers. In other words, companies are trading up.

But a more fundamental reason is that the whole concept of "the graduate career", as it existed 10 years ago, has finally disappeared. True, graduates still have the edge; but the notion that a degree is an automatic passport into an exclusive range of prestigious occupations began to be exploded during 1970 and 1971 when employment for university leavers plummeted to its lowest ebb.

### 'Dirty word'

The repercussions of that period partly explain why, despite the state of the economy, recruitment is so buoyant. Industry became a dirty word in student circles and three years later, when the upturn came, employers found themselves cold-shouldered as graduates high-mindedly talked about "socially worthwhile activities" and in their droves signed on with local authorities. So, as Mr Felix says, there is an element of good public relations in maintaining demand. Or, as Mr Cook prefers to put it, "in industry's taking the longer term view."

But caution alone does not account for increases of the order of 20 and 30 per cent. In certain sectors, particularly in engineering, there is a definite breeze of genuine expansion. British Leyland's target is 400 graduates (with emphasis on financial and engineering skills), as against 300 last year.

Metal Box is looking for 100 (an increase of about 30), of which a majority required are mechanical engineers and scientists. GEC is out to recruit 1,400 (200 more than 1976)—in particular, people with electronics, mathematics, physics, production and mechanical engineering degrees.

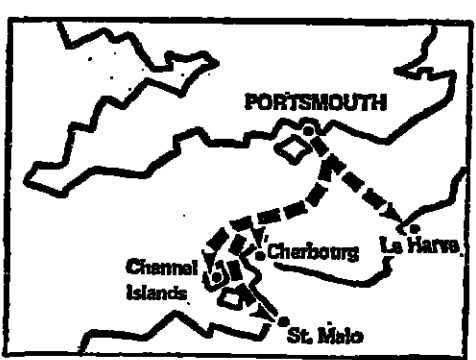
Michael Betts, GEC's personnel director, says enthusiastically that the response has never been better—in terms of both quality and quantity. It is a view that is being voiced on all sides.

The general opinion, shared by employers and appointments officers alike, is that graduates are more strongly motivated and better informed. They are also investigating a wider spectrum of jobs.

But the biggest change—and perhaps the most promising for Britain—is that, to quote Mr Lloyd, "students are no longer talking about the profit motive as a dirty word. Instead they are talking about the wealth-producing sector of the economy."

## New gateway to Europe

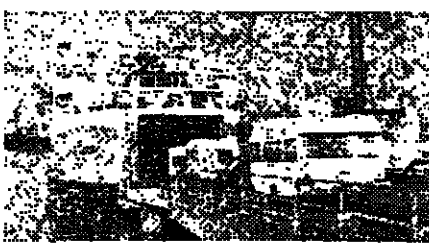
In the centre of the South Coast with extremely good communications by road, rail and sea with the rest of Britain, Portsmouth is ideally sited for cross-channel links. Regular car and passenger ferries run to St. Malo, Cherbourg and Le Havre and a new passenger route to the Channel Islands is planned.



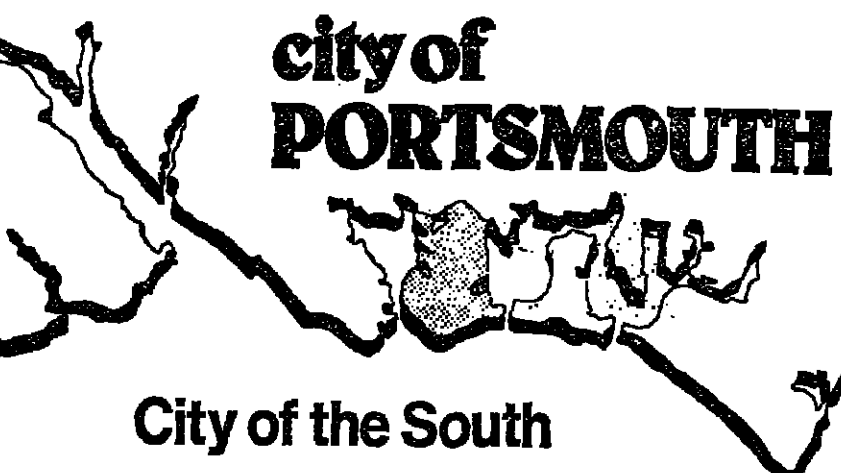
many holiday and entertainment facilities including two 18-hole golf courses whilst the museums and cultural festivals cater for all tastes.

With the growing number of visitors and the recent establishment of multi-national companies in the City, there is a need to expand the conference and hotel accommodation.

City Secretary  
Civic Offices  
Guildhall Square  
PORTSMOUTH  
Tel: (0705) 834013



Tourism in the City has grown enormously with these international links, and local businessmen and hoteliers are now welcoming many foreign shoppers and visitors. Portsmouth already has



## Business Diary: When all's said and Donne

David Donne, like the poet John,

es the Past, a rne for next year, ew leaf, but still some things read, s, he sees again, hings doth hear, his life, but like a pair of heads." Id me yesterday that g forward to moving he chairmanship of ust after the appear-ly in October, of the of industry report ars of the company a when it was con- Christopher Selmes, ombines a thriving non-executive chair- and that with buy-nal companies that be sold as large as one of the city ame in three years k up the Grendon

he is looking for-e day when he can disposed of the re-erty holdings. The o was once described

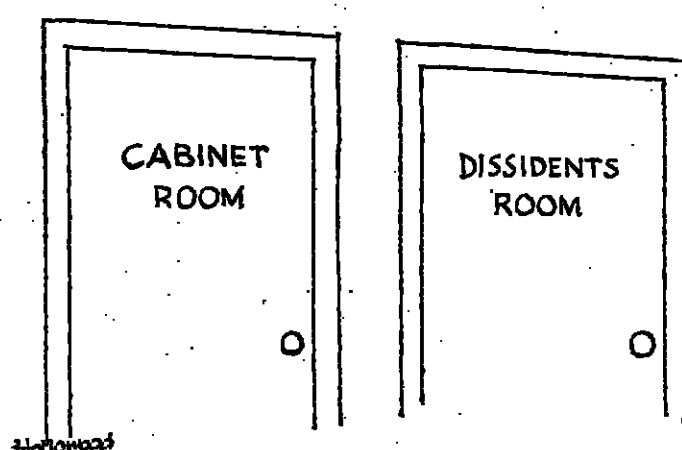
as "a pile of rubbish, amateur-ly constructed."

Monotype, the printing firm that would be all that remained, can look forward to its own quotation one day. Then, he said, "we can close the book on a fascinating, if somewhat expensive for some, saga and go back, thankfully, to our own businesses."

Donne has more businesses to go back to than most. Among them is one of his personal ventures, the chairmanship of sock makers Pantherella. The biggest shareholder in this is another controversial City figure, Sir Hugh Fraser. Donne has built up profits from £20,000 to £500,000 in seven years.

He is also deputy chairman of Delgaty, the merchanting group.

Developments may also be expected from Donne's association with Peter Huxley in the unlinked Property Growth Assurance, recently sold to the Phoenix. Huxley, Donne says, has moved to Switzerland, and called two days ago to say: "Let's meet. What else can we start?"



At Millbank Tower, for instance, lifts to the 29 floors are being taken out of action one by one. Tenants of the building, among them the staffs of the National Economic Development Office, the Department of Industry and the management of Vickers are thus having to puff up and down the stairs.

The same is now happening, I hear, at The Stock Exchange and at BP's headquarters, Britnort House. It is also what I found at the offices of the Institute of Chartered Accountants in Moorgate Place, City, where I called yesterday. Luckily for me the lift was going as far as the fourth floor—my destination.

Although about half of Ois's branches throughout the country are still working, it just so happens that the City and Westminster, the two seats of power, are among the areas included in the strike. However inconvenient the

had me on the phone to the deputy managing director, Roy Marks, as soon as I got back to the office.

What I said, about the advertisement for an audio typist, offering £2,700 a year plus luncheon vouchers and "4.30 pm finish"?

I should explain that although diary writing does have its lovers, I wasn't really after the job. But I was interested by the "three per cent mortgage" that also went with it.

Granted that the branch in question is at the bottom of Fleet Street, I asked Marks whether it was all a stunt to garner some publicity? No, says he, it's "quite common as an offer to clerical staff from insurance and other financial institutions. Demand for secretaries was 'incredible'."

Employers offering such terms, I am told, usually work within building society rules which limit the loan to between two and a half and three times the employee's salary. That would mean between £6,750 and £3,100 a year in this case—which wouldn't buy you much within travelling distance of the City but is still a bargain. Unfortunately, gentle reader, mortgage relief is not yet at hand. Incredible demand or not? Marks didn't talk me into applying for the job.

Last jubilee story: Edwin Carter, managing director of the BPC subsidiary Waterlows, is presenting a commemorative dish to staff who worked over the jubilee weekend. He is presenting the documents for the huge BP share offer. The inscription reads: "What jubilee? I was busy making City history."



# ALLIED BREWERIES LIMITED

## INTERIM ANNOUNCEMENT OF PROFIT AND DIVIDEND

FOR THE 32 WEEKS ENDED 7 MAY 1977

The results for the 32 weeks ended 7 May 1977 based on unaudited figures prepared for management purposes are shown below.

	32 weeks ended 7 May 1977 £m	32 weeks ended 8 May 1976 £m	32 weeks ended 25 September 1976 £m
Turnover	668.3	505.7	885.3
Trading surplus before depreciation	59.7	45.0	90.4
Deduct: Depreciation	13.9	11.7	19.7
Trading profit	45.8	33.3	70.7
Investment income	2.8	2.6	4.0
Associated companies	1.0	0.8	2.0
Finance charges	49.6	36.7	76.7
Profit before tax	39.4	27.9	63.0
Tax on above profit	20.1	14.5	31.1
Minority interests	19.3	13.4	31.9
Preference dividends	0.3	0.3	0.6
Earnings from operations	18.8	12.9	30.9
Foreign currency losses	0.1	0.3	0.9
Gains and losses arising other than from trading	18.7	12.6	30.0
Available for ordinary dividend	20.4	14.4	33.0
Ordinary dividend	6.6	5.4	17.0
Earnings per ordinary share from operations	3.58p	2.78p	6.40p

The figures for 32 weeks ended 7 May 1977 include turnover and profit before tax for the same period for Teacher (Distillers) Ltd and Embassy Hotels (Hyde Park) Ltd respectively of—

Turnover £44.3m and £2.1m  
Profit before tax £2.8m and £0.4m

The turnover and profit before tax of Teacher (Distillers) Ltd for the year ended 31 January 1976 (the last published accounts) were £53.9m and £2.9m and for Embassy Hotels (Hyde Park) Ltd for the year ended 30 September 1976 were £2.2m and £0.4m.

### Sales and Earnings

Trade in the 32 weeks has been firm, with a good pre-Christmas period. It is anticipated that results for the remaining 20 weeks, given reasonable conditions, should continue to show an improvement on last year although this improvement will not be at the same rate as for the first part of the year.

### Interim dividend on ordinary shares

An interim ordinary dividend for the financial year ending 24 September 1977 of 1.25 (1976 1.1165) pence per share will be paid on 23 September 1977 to those shareholders whose names are on the register on 18 July 1977.

## FINANCIAL NEWS AND MARKET REPORTS

### Stock markets

## Shares still in BP shadow but gilt-edged go ahead

For the second day running, shares found little support as the big investors conserved their funds for Friday's BP issue.

Though trading was always at a maximum, there were some surprising early gains, but as the day went on most prices slipped back through lack of interest. By the close, the FT Index, plus 1.4 off at midday, was 3.2 lower at 442.0.

Berry Wiggins, due to report full-year figures tomorrow, is attracting fresh takeover talk and about 150,000 shares went through the market yesterday. After the interim slump many feel that the renegotiated Algerian drilling contract could have spurred a strong second-half rally. Profits will not match last year's £1.8m, but the optimists would not be surprised by £1m. The share at around 36p, also supported by the stake in block 2845, 40 miles south of the Forties.

BP apart, the background influences are not favourable. The industrial scene appears to be at its lowest ebb for some time with names like Guinness and Ford capturing the headlines. Further, as talks between the Government and the TUC go under way most market men would concede that an acceptable Phase Three settlement now looks unlikely with both the engineers and the transport workers poised to vote against it.

In the gilt-edged market, short dates dominated and closed up to a quarter of a point better after early falls had been reversed. The longer end followed suit with initial uncertainty being replaced by gains of around one-eighth.

Among the big industrial names, BAT Industries led the way with a rise of 3p to 260p. But Pilkington reacted from

the strength of the previous day, giving up 9p to 370p, and there were more typical performances from ICI, off 4p to 380p, Bechtel 2p lower at 472p and Unilever which lost the same amount for a close of 482p.

There was renewed speculative interest in Bechtel's "A", which put on 3 1/2p to 47 1/2p, and United Scientific which ended 6p higher at 156p. Gallenkamp "A" was hit by profit-taking and shed 8p to 310p, while Fisons, with whom the company is having talks, also lost ground and closed 5p off at 348p. The low level of acceptance of the Rolls-Royce terms left Fodens a penny lower at 46p while R-R also slid a point, to 66p.

From a long list of companies reporting figures, the better known names included Plessey, unchanged at 78p after an unexciting statement, and Allied Breweries which also drew little comfort and ended at an unmoved 71 1/2p. In the financial sector, Hambros was left at 35p after final figures. After news of a £2.5m rights issue William Baird was lowered 3p to 13 1/2p and LWT made its debut at 91p, much as expected.

The recent election stimulated a little interest in Irish issues such as McInerney which added 4p to 27p, Abbey at 27p and Brooks Watson at 30p. Investment demand—reported to be country "buying"—helped Newmans Tubes to close to less than 13p ahead at 118p.

In the food sector, AB Foods shaded to 59 1/2p after the chairman's warning on margins and an active Tate & Lyle ended 4p off at 21 1/2p.

On a generally unchanged stores pitch, such interest as there was centred on Allied Retailers which put on a couple of points to 114p.

Another to react from recent

strength was Vickers which gave up 4p to 175p, while in the mining sector sparkling figures from Selection Trust squeezed interest for a gain of 15p to 430p. The main impetus for the company comes from its stake in a North Sea gas field and dealers noted that 30 per cent of profits are now coming from North Sea interests.

Results saw tactical group Mann & Overton slip a penny to 150p in spite of strong profits. The agreed offer document from hire-purchase group Lloyds & Scott's is expected any day now.

Rolls-Royce Motors should approach Fodens this week with a higher offer, but Fodens is in no hurry to accept. Still the fact that there is little antagonism between the two sides and the prospect of an even gain for the institutions which came to its rescue two years ago, will weigh heavily in the scales.

A profits rise of more than 40 per cent helped Powell Duffryn to go ahead 5p to 158p and a 60 per cent jump from Electrocomp was brought to a gain of no less than 20p for a close of 166p. United States losses upset J. H. Fenner which slipped 6p to 117p, but Matthew Hall went ahead by a strong 4 1/2p to 158p after the chairman had confirmed that another record year is in prospect.

Oil shares gave back much of the previous day's gains with BP lowered 4 1/2p to 800p and Shell off 4p for a final figure of 542p. Equity turnover on June 20 was £44.70m (11,303 bargains). Active stocks yesterday, according to Exchange Telegraph, were Shell, ICI, Barclays Bank, BP, Midland Bank, BAT Dfd, GKN, Gas "A", Commercial Union, Tate & Lyle, Gallenkamp, BAT Ind, Marks & Spencer and AP Cement.

### Latest results

Company	Sales £m	Profits £m	Earnings per share	Div pence	Pay date	Year's total
Int of Fils	39.4(27.9)	0.34(0.36)	—	1.25(1.11)	23/9	(3.52)
Allied Breweries (I)	668.3(505.7)	45.8(33.3)	3.58(2.78)	—	—	—
Drake & Scull (I)	23.5(18.1)	0.34(0.36)	—	2.75(2.32)	29/7	—
Eldridge, Pope (I)	6.10(4.1)	4.54(2.85)	21.75(13.64)	2.48(2.25)	3/10	4.48(4.07)
Electrocomp (F)	22.8(15.8)	0.90(0.72)	5.51(4.35)	1.79(1.58)	—	2.32(2.11)
Evans Leeds (F)	1.90(1.61)	0.31(0.22)	1.47(1.05)	0.80(0.55)	—	(1.08)
Griffith Mills (I)	4.80(3.12)	0.52(0.40)	—	—	—	—
Man Overton (I)	4.02(3.07)	39.58(34.7)	9.44(9.24)	1.71(1.27)	1/1	4.84(4.4)
Plessey (F)	568.8(490.1)	13.88(9.54)	26.6(18.8)	1.05(0.59)	26/8	7.8(7.08)
Powell Duffryn (F)	308.37(248.4)	11.12(7.7)	8.78(7.2)	16.7(15.2)	—	—
Selection Trust (F)	144.4(72.4)	2.82(1.18)	14.3(7.3)	1.91(1.55)	29/7	3.21(2.92)
Tecalemit (F)	26.43(21.0)	—	—	—	—	—

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.54. Profits are shown pre-tax, and earnings are net.

## Second-half upsurge sparks E' components

By Victor Fehstead

In spite of depressed conditions in the domestic economy, E' components, Britain's largest electronic components distributor, keeps marching on. Since going public in 1967, it has had the enviable record of unbroken growth. The latest 12 months to March 31 last were no exception.

With a 104 per cent jump in the second half-year, compared with the same period, the year's pre-tax profits rose 53 per cent to £4.53m. The first time £4m has been topped. Sales, after customers' bonus, were up by 53 per cent to £13.24m in the last half and by 44.1 per cent to £22.84m for the full year.

A maximum-permitted final dividend of 3.83p goes to being paid, against 3.47p last time, based on the pre-tax advance. Corporation tax rate of 85 per cent. Should the rate be reduced in good time, the dividend will be "appropriately" increased. If the final is not raised, the total gross payment for the year will be 6.39p, compared with 6.22p.

The group appears to have done much better in the second half than expected. For the first six months, pre-tax profits were 17.4 per cent greater on turnover—33.5 per cent up.



Mr R. A. Marler, chairman of Electrocomp.

While increases in turnover had been achieved by all its activities, the second half was pushing a pressure on profit which the board saw as containing for some time.

However, barring any new Government steps which might affect industrial activity, directors were confident that the first-half progress in sales volume and profit would continue for the rest of the year.

## Powell Duffryn buoyancy may presage rights issue

By Nicholas Hirst

Though Powell Duffryn's pre-tax profits were up 43 per cent to £13.7m, higher interest rates were eating into the bottom line in the second half and published retentions of £4.7m compared with capital expenditure planned for this year of £23m. However, tight control of working capital during the year restricted the cash outflow to £2.5m all of which was met out of the previous year's £4.6m of net cash balances. The likelihood of a rights issue, therefore, needs to be assessed against a further sharp rise in weekly this year, and the fact that at March 1976 long-term borrowings of £6.4m compared with shareholdings' funds of £58m.

Without a rights issue, gearing is clearly going to increase while an increase in activity would mean a larger rise in sales than last year's 22 per cent at £303m and consequent further pressure on working capital.

The final quarter saw a 39 per cent increase in engineering where the profit margin was 39 per cent, which couple with improved rates in the shipping division where profit were up 2 1/2 times, were the major factors behind the improved results.

With good order books engineering should continue to advance while shipping is still a long way short of its record of £4.8m profit in 1975.

The problem areas of building serviced containers have moved from a £4,000 to £566,000 loss, although unlikely to move into profits, should improve this year. But the timber and builders' merchants division is unlikely to benefit as it did last year, from sharp increases in prices.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.

At 158p up 5p, the share yield is 7.6 per cent.



# société nationale elf aquitaine

### 1976 REPORT

Following the absorption of the main lines of business of ERAP approved by the Extraordinary General Assembly of July 9, 1976, the Company was renamed S N E A. Its range of activity has been considerably enlarged compared to 1975, and its structure is now that of a holding company.

In addition, a number of departmental and geographic changes have been made in the Company's organization in order to increase efficiency. The most important of these changes is the setting up of closer working relations between ELF FRANCE and ANIAR's French refining and distribution subsidiaries.

### Highlights of 1976

#### Exploration

In 1976, investment in this area totalled approximately 1.6 billion francs, the objective being to maintain, or if possible to increase, oil and gas reserves which at year end were estimated at about 18 years of current (1976) petroleum equivalent production. Research was carried out mainly in France, in the North Sea, in the Gulf of Guinea, in the Gulf of Gabon, and in North America. These areas accounted for more than 80% of S N E A's exploration investment.

#### Production

Crude oil and condensates: 18.2 million tons, compared to 23.3 in 1975. Drop is explained by the transfer of Company production in Algeria.

Commercial natural gas: 10.34 billion cubic meters, compared to 10.36.

Sulfur: Although the market continues to be relatively depressed, the Company's sales tonnage reached 2.7 million tons, or about 20% more than in 1975.

Coal: The production of AQUITAINE PENNSYLVANIA Inc. (a wholly-owned subsidiary of AQUITAINE COMPANY OF CANADA) was 1.4 million tons in 1976, compared to 1.2 in 1975, and is expected to rise to 1.8 in 1977.

Nickel: Sales of Société LE NICKEL S. N. in which S N E A has a 50% share of ownership, totalled 51,675 tons, compared to 53,540 in 1975, despite a 12% increase in export volume.

### Crude oil supplies, refining and distribution

ELF AQUITAINE's crude oil supplies are assured by the Group's own negotiating-unit and by associated suppliers. In 1976, ELF AQUITAINE processed 35.2 million tons of crude oil in France and in other countries. During 1976, the ELF AQUITAINE (ELF - ANTAR) Group's share of the French market for all major refined products increased slightly from 23 to 23.5%.

Sales in France reached 20.9 million tons, compared to 18.9 in 1975. Outside France, sales totalled 7 million tons, an increase of about 1.1 over 1975.

### Petrochemicals - Plastics

Petrochemical activity, mainly involving plastics, is carried out by Société ATO CHIMIE, jointly owned by ELF AQUITAINE and the TOTAL Group. Turnover in this area was 2.64 billion francs in 1976, and the cash flow 198 million francs.

### Pharmaceutical products - Cosmetics

SNEA's activities in this are carried out by SANOFI, a wholly-owned subsidiary. Growth in 1976 on companies under the control of SANOFI was greater than the average for the industry in France.

SANOFI's consolidated turnover in 1976 rose to 1,520 billion francs, compared to 1,150 in 1975.

Measured in terms of comparable structures, the growth rate was approximately 20%.

### Financial situation

The changes that have taken place in the structure and organization of the Company make it particularly difficult to establish a comparative analysis of results in 1976, the first year during which the new structures have been in operation. S N E A's earnings totalled 841 million francs. It should be pointed out that if the profits of S N E A (P) achieved in 1976 could have been carried over in their entirety to the level of the S N E A Group, net earnings would have reached 1,300 million francs. On this more equitable basis, net earnings per share would be 86 F, compared to 83.5 F in 1975, 61 F in 1974, and 36 F in 1973.

Consolidated results of the ELF AQUITAINE Group showed consolidated earnings of 1,625 million francs, of which 1,479 was achieved by the Group and 144 by associated units. Consolidated turnover totalled 36 billion francs.

### Dividends

Total net dividends in 1976 are 241.7 million francs, or 16 F per share, compared to 15 F in 1975, representing a rate of increase corresponding to the general recommendation of the French government authorities. Payment of dividends will be made as of July 6 in exchange for coupon N° 21. A per-share tax credit (pre-paid taxes) of 3 F increases share earnings to 24 F per share of 30 F value.

These results have been approved by the Ordinary General Assembly of July 9, 1977, at the close of which an Extraordinary General Assembly adopted certain modifications to the statutes of the Company in order to bring them in line with legal requirements.

## Grendon looks to full property divestment

By Ray Maughan

Grendon Trust is confident that it is running up to the day when its property portfolio will be entirely sold, its debts will have been repaid and its printing machinery, outfit, Monotype Corporation, will remain as the sole activity and eventually seek its own quotation.

The proceeds from property disposals by the year to end-September amounted to £5.5m and borrowings were reduced from £19.6m to £12.4m. Since year end, further property sales have taken place, cutting the remaining portfolio to £2m. Although the rump of the property is regarded as difficult to shift and may take up to about 18 months to sell, recent divestments coupled with the sale of the brickmaking business to Ibsack Johnson, will bring debt, excluding Monotype, down by a further £7m to around £5m. The accounts are qualified to the effect that they have been prepared on the assumption that

financial support will continue to be provided by Grendon's bankers, notably Keyser & Ullmann, at least in the medium-term.

Monotype's debt, at the balance-sheet date, amounted to £3.12m, mostly in overdrafts and bank loans. Since the year end, a loss has been incurred in the subsequent six months. But its chairman, Mr. Brian Allen believes that the prospects for the second half are more than encouraging and for the first time since the inception of film-setting, Monotype has a comprehensive range of typesetting machines to sell.

Grendon has taken the £2.76m surplus of the redemption of the 11 per cent unsecured loan stock below the line and before tax the gross cash losses from £3.21m to £2.81m. Tax is charged at £133,000 against a release of £1,044m in the previous year. However, tax losses after the elimination of deferred taxation are estimated at £2.55m on revenue account and £2.5m on capital profits.

## All sectors take off at Tecalemit

By Our Financial Staff

More-than-doubled taxable profits are turned in by Tecalemit for the year to end-March last. All sectors put in a good performance, and the present term is off to a fine start.

On turnover up about 26 per cent to £26.4m for the year, pre-tax profits soared from £1.18m to £2.82m. The group's interests are in fluid transfer, and filtration, lubrication systems, garage equipment and combustion engineering. Profits jumped to a best-ever £1.18m in 1975-76, and have gone ahead even faster in the year just past.

Improved cash flow and the cash raised by the rights issue in the preceding year reduced interest charges by more than a half to £166,000. While the company has planned more heavy capital expenditure this year, existing resources are stated to be ample to meet expected needs.

After extraordinary items of £108,000 against £229,000, mainly a surplus from the conversion into sterling of the foreign currency values of overseas companies, the attributable moved from £766,000 to £1,43m. Earnings a share jumped from 7.3p to 14.3p, and the total gross dividend is lifted from 4.5p to 4.95p, the maximum allowed. This is covered more than four times if the basic rate of tax is reduced, the group hopes to pay an additional dividend at interim time.

AH divisions produced higher profits, he says, and after two years of substantial growth their books are at a record in the current year. Further growth is on the cards in the present term.

## Fresh moves over Globe-Phoenix

The shareholders' Protection Committee of Globe & Phoenix Mining and Phoenix Mining & Finance has applied to the boards of both companies requisitioning extraordinary meetings to remove the present directors and replace them with representatives of the committee.

These representatives are: Messrs Andrew Alexander, committee secretary, Norman Davis, chairman, Lighting and Leisure Industries, Michael Montague, chairman of Valor and Dudley Morse, immediate past senior partner, Arthur Young McClelland Moores.

In a statement, Major Lomas, chairman of the committee, said yesterday: "This action, will enable the true wishes of the independent shareholders to be ascertained."

"If elected, the new directors would proceed with the existing High Court-approved scheme of arrangement for the merger of the two companies." The new directors would serve without remuneration until justified by the trading performance of the companies. Earlier this year the meeting called to pass a resolution for the merger of the two companies was adjourned.

The committee was in favour of the merger, but against the acquisition of the Worldwide Group. The purchase of Worldwide was later approved on a poll.

In June, the boards of the two companies changed some of their members. Mr. Fraser Bird stepped down as chairman, but remained on both boards. He was succeeded by Mr. Ben Clemonson, a director of African Lakes Corp.

## THOMAS LOCKER (HOLDINGS) LTD.

### "ALL TIME RECORD"...

Mr J. R. Locker  
Chairman

### Summary of Results

	1977	1976
	£000	£000
Sales	15,685	12,166
Profit before taxation	2,025	1,503
Profit after taxation attributable to Shareholders	893	658
Dividends	310	282
Profit retained	583	376
Earnings per Share	2.23p	1.65p
Assets per Share	22.06p	20.31p







## Commodities

### Eurobond prices (midday indicators)

[illegible]

Barclays Bank .....	81%	12/1	12/1	
Consolidated Crdts	81%			
Fin. London Secs	81%			
C. Hoare & Co .....	98%			
Lloyds Bank .....	81%			
Midland Bank .....	81%			
Nat Westminster .....	81%			
Rossminster Accs	81%			
Shenley Trust .....	11%			
Williams & Glyn's	81%			

RIGHTS ISSUES	DATE	YIELD	PRICE
Alkali Refractories (1914)	Aug 5	3	prem
Anglo-Siam (1917)	Aug 5	3	prem
Boell (1917)	Aug 5	3	prem-1
Chambers & Co (251)	Aug 5	3	prem-1
Coal (1917)	Aug 5	3	prem-1
Compt. & F. (1917)	Aug 5	3	prem-1
Continental (1917)	Aug 5	3	prem-1
Dutton For 200	Aug 5	3	prem-1
Electricity (1917)	Aug 5	3	prem-1
Expanded Metal (1917)	Aug 5	3	prem-1
General (1917)	Aug 5	3	prem-1

1976 High	Low	Company	Last Price	Ch'ge	Gross Div(p)	Yld %	P. E
36	27	Airsprung Ord	36	—	4.2	11.8	6.8
130	100	Airsprung 18½, CULS	130	—	18.4	14.3	—
35	25	Armitage & Rhodes	35	—	3.0	8.6	—
143	95	Deborah Ord	143	+1	8.2	5.8	7.2
149	104	Deborah 17½, CULS	149	+1	17.5	11.8	—
134	120	Frederick Parker	134	—	11.5	8.6	6.5
86	45	Henry Sykes	86	+2	2.4	2.8	8.3
83	55	James Burrough	81	—	6.0	7.4	12.8
296	188	Robert Jennings	280	25.0	8.8	6.4	—
67	54	Twindock 12½, ULS	67	—	12.0	19.4	—
64	51	Unilock Holdings	64	—	6.1	9.6	8.1
77	65	Walter Alexander	76	—	5.8	7.6	8.6

## Pre-tax profits up 34%

The recent recovery in the hotel industry, together with lower bank interest rates, enables us to look to the future with optimism. We now feel we are able to enter a time of controlled expansion and to this end are negotiating on several projects which will improve the profitability and financial soundness of the company.

### Placing of £2,500,000

**13 per cent Redeemable Debenture Stock, 1984  
at £97 per cent**

Application has been made to the Council of The Stock Exchange for the above Stock to be admitted to the Official List. The Stock will rank for interest *pari passu* with the existing Debenture Stocks of the Company.

In accordance with the requirements of the Council of The Stock Exchange £250,000 of the Stock is available in the market on the date of publication of this Advertisement.

Particulars of the Stock have been circulated in the Extel Statistical Services Ltd., and copies may be obtained during usual business hours on any weekday (Saturdays excepted) for 14 days, from and including 22nd June, 1977, from

**Seymour, Pierce & Co.,**  
10 Old Jewry,  
London, EC2R 8EA

Encouraging trends in the anti-inflation battle enabled the dollar to make headway on the exchanges yesterday. The pound charted a quietly steady course throughout, with its effective rate pegged at 61.6 for the second day running.

Against the dollar, sterling ended only one point easier at \$1.7195. Turnover remained light.

Firm from the outset, the dollar sometimes closed below the best, mainly on light profit-taking, after the slowdown in American inflation as measured by the May consumer prices index.

Gains included DM2.3585 (overnight 2.3580), Swiss francs 2.5010 (2.4960), Belgian francs 36.10 (36.08) and the Scandinavians. Support from New York and Switzerland brought an afternoon rally to the guilder, which ended higher at 2.4880 (2.4955). French francs 4.9420 (4.9430) and Italian lira 884.85 (885.00) also went against the dollar, and the yen advanced.

Gold closed in London \$1.25 an ounce up at \$141.125.

### Spot Position of Sterling

	Market rates (day's range)	Market rates close
	June 21	June 21
New York	31.7195-7300	31.7194-07
London	51.0000-00	51.0000-00
Amsterdam	4.271-3001	4.271-2994 1/2
Brussels	61.85-62.15F	62.02-121
Copenhagen	10.411-49.4K	10.424-49.4K
Frankfurt	4.9800-00	4.9800-00
Geneva	66.30-00	66.43-00
Madrid	210.20-75P	219.42-57P
Milan	119.10-15P	119.10-15P
Paris	8.42-51 1/2F	8.42-51 1/2F
Stockholm	7.61-64 1/2K	7.63-64 1/2K
Vienna	46.00-00	46.00-00
Zurich	28.70-90Sch	27.75-88Sch
	4.229-211 1/2P	4.229-210 1/2P
Effective exchange rate compared to December 31, 1971, was unchanged at 61.6 per cent.		

## Forward Levels

	1 month	3 months
New York	21-1/2c prem	1-88-1/2c prem
Montreal	22-1/2c prem	1-15-1/2c prem
Amsterdam	15-1/2c prem	1-15-1/2c prem
Brussels	15c prem pur	1-15-1/2c prem
Copenhagen	55-7/8c disc	1-15-1/2c disc
Frankfurt	20-1/2c prem	6-50c prem
Lisbon	20-50c prem	20-140c disc
Madrid	33-1/2c disc	20-197c disc
Milan	8-11/2c disc	11-37c disc
Paris	10-1/2c disc	20-197c disc
	1c prem	1c prem
Stockholm	20-7/8c disc	140-160c disc

Zurich 24-Dec press 6p  
Canadian dollar rate again  
59427-28.

**Gold**  
Gold (fixed amt. \$141 (\$51.99) per ounce); pm.  
\$141.30; 282.17; 61.44; 146.28; 44.85.  
Krueger and (per call; non-resident, \$46.48;  
(27-28; resident, \$46.48; 27.28).

The Bank of England gave help on the very large scale to relieve shortage of credit yesterday. The assistance was split into large purchases of Treasury bills direct from discount houses and smaller loans to banks. The latter (8 per cent) to one or two houses.

Money remained tight throughout last night and rates firmed from earlier 6½ per cent to 7½ per cent without taking houses far towards their targets by end of the morning. The authorities started to give assistance to the market for government securities. And funds, and houses were stepping up to 7½ per cent at the finish.

The only identifiable plus item for the day was a modest net excess of Exchequer disbursements over Revenue inflow. Range against this was the combination of run-down bank balances brought over from Monday, modest Treasury bill take-up, some local authority bills maturing in official hands and settlement for gifts sold by the Government Broker on Monday.

## Money Market Rates

Bank of England Minimum Lending Rate 8  
Last changed 13.5.77  
Clearing Bank Base Rate 8.25  
Discount Mkt Loans 6  
Overnight: High 3 Low 5 1/2  
Week Fixed: 7 1/4-7 1/2  
Treasury Bills: 12 1/2-13 1/2

Treasury Bills (Disc)	
Buying	Selling
2 months 7 1/8	2 months 7 1/8
3 months 7 1/8	3 months 7 1/8
Prime Bank Bills (Disc + Trade)	
2 months 7 1/8 - 7 1/8	3 months 7 1/8 - 7 1/8

3 months	7 1/8%	3 months	8 1/8%
6 months	7 3/4%	6 months	8 3/4%
9 months	7 7/8%	9 months	8 7/8%
12 months	8 1/8%	12 months	9 1/8%
<b>Local Authority Bonds</b>			
1 month	8 1/8%	1 month	8 1/8%
3 months	8 1/8%	3 months	8 1/8%
6 months	8 1/8%	6 months	8 1/8%
9 months	8 1/8%	9 months	8 1/8%
12 months	8 1/8%	12 months	8 1/8%
<b>Secondary Mkt. ICD Rates (%)</b>			
1 month	8 1/8%	1 month	8 1/8%
3 months	8 1/8%	3 months	8 1/8%
<b>Local Authority Markets (%)</b>			
3 days	8 1/8%	3 months	8 1/8%
1 month	8 1/8%	6 months	8 1/8%
<b>Interbank Market (%)</b>			
Overnight	Open 6 1/8%	Close 7 1/8%	
1 week	6 1/8%	1 month	7 1/8%
1 month	7 1/8%	3 months	7 1/8%
3 months	7 1/8%	6 months	7 1/8%
6 months	7 1/8%	9 months	7 1/8%
9 months	7 1/8%	12 months	7 1/8%
<b>First Class Finance House Notes (Bank, Note, %)</b>			
3 months	8 1/8%	12 months	8 1/8%
<b>Finance House Base Rate %</b>			
	8 1/8%		

## Drop in roastings

Coffee roastings in the United States to June 11 totalled 7,775,000 bags, compared with approximately 9,800,000 bags to June 11, 1976. The amount roasted to June 11 was about 79.3 per cent of that used to the same date in 1976.

## Wall Street

New York, June 21.—Prices were mostly higher at the New York Stock Exchange close, gaining on a let-up in inflation's upward spiral despite late profit-taking. The Dow Jones industrial average was ahead 4.33 points at 928.60.

Advancing issues outnumbered decliners by about 871 to 555. Volume totalled 29.73 million shares compared with 22.95 million yesterday.

The last time volume was heavier was on April 14, when turnover totalled 30.49 million shares on the day President Carter dropped his tax rebate plan.

## Gold moves ahead

[illegible]

cents higher to six cents low	
268.00-69.90c:	Sept. 244.00
223.00-21.00c:	March. 213.00
May 209.25c:	Inter. 205.75c

[illegible]

## Authorized Units, Insurance & Offshore Funds

1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------



**-Managerial-Administrative-Secretarial-Personal Assistants-**

01-479 6291  
Alfred Marks Bureau  
(off Berkeley Square, W.1)

























German dissent. An appeal for better vocational training and, as demonstrating during an industrial dispute.

# WEST GERMANY

## Affluent society disgruntled by memories of better past



by Dan van der Vat

Like a man in the highest income bracket who planned his finances on the assumption of perpetually increasing prosperity, West Germany is now being forced to limit luxuries for the first time since the country became rich.

Although no analogy can safely be taken too far, the noise made by the affluent when they cease to be able to consume as conspicuously as they used to is not only louder than that made by the poor when they become even poorer but also commands less sympathy.

The rest of the world would agree with the Chancellor, Herr Schmidt, when he rightly points out that the West Germans have precious little to complain about. The recession caused by the 1973 oil crisis has rocked even the American economy far more than the West German.

To understand why so many people in the Federal Republic are feeling disappointed, pessimistic and even deprived, one has only to choose the right place to stand as an observer.

Seen from outside, from Britain, France, Italy or the United States, the very idea that the West Germans are complaining about the state of their economy seems visible. But if, as is the case with the average voter, your yardstick is not how badly the neighbours are doing but how much better you were doing yourself four years ago, all becomes clear.

It is thus both true and irrelevant to point out that the West Germans do not know how well off they are. The important fact is that they are—or believe they are—the same thing when it

comes to forming attitudes of unemployment among young people. Such investment as there has recently been has only compounded the difficulty of rationalizing jobs out of existence, because labour is fearfully expensive (more so even than in the United States).

The car industry is doing remarkably well domestically, probably in the main because people who put off a new purchase after the oil crisis are catching up. But the symptoms of the malaise, which amounts to a crisis of self-confidence, are so diffuse that they often appear unrelated to one another. But they are to be found in the political and social spheres as well as the economic, with which it is appropriate to begin.

West Germany's gross national product rose by 5.6 per cent in 1976, on paper a remarkable achievement. But for the first time since the foundation of the Federal Republic in 1949, economic growth failed to work its usual magic and indeed did no visible good. The fetish time working and curs in overtime have combined with a "bulge" in the retirement age group and the recession to cause a big crisis of cash in the national pension fund, which relies for contributions on the 18 per cent of gross income paid into it jointly by workers and employers. The pension growth rate is to be cut after this year, some fringe benefits will be reduced, and an increase in contributions may still be necessary. West Germany can no longer afford the luxury of allowing

a Special Report

pensions to rise by a much higher percentage than wages every year.

The first tentative attempts by the Government to hold down (but not reduce) the appalling costs of medical care this year, also made necessary by the recession, were met by predictable but grossly exaggerated protests from doctors, dentists and pharmacists, three of the most highly paid groups in the country and therefore the world. Here again the West Germans found that constant increases in health costs were something they could no longer afford.

The growing inability of the economy to meet long-held aspirations and expectations has inevitably begun to produce unease among young people. Not only are school-leavers finding it hard to get a job in industry or commerce, but also the children of the professional and managerial classes are having to get higher qualifications for more lowly jobs.

This is one of many factors adversely affecting the creating education system. Stress among schoolchildren caused by the "perform or perish" requirement is rising as opportunity declines. Budgetary economies have simultaneously produced serious understaffing and a large unemployed surplus of teachers.

Universities are being disrupted this summer by protests about grants, overcrowding, bureaucracy and plans for reform. All political parties constantly refer to West Germany's "educational misery", parents are up in arms and students obviously dissatisfied. But the tug of war between federal and state governments sees to it that little is done. Compared with all this, the protracted controversy in Britain over comprehensive schools is a superficial difference of opinion.

Another burden West Germany now finds irksome economically is the enormous cost of the public service—some 3,500,000 people. For historical reasons going back to Bismarck, the term public servant (*Beamter*) is much wider in its meaning than the British concept of the civil servant, for it includes teachers, railwaymen and postmen besides those employed directly by government. Bonn's first attempt to reduce the immense financial privileges of this all-important class has evoked another storm of protest from its pampered members.

These are some of the main areas where the West Germans have been forced since the oil crisis to cut their coat according to their cloth. Large and hitherto unheard-of deficits in the budget have made many other unfamiliar economies necessary. The widespread feeling of discontent and frustration is further reflected in a bewildering variety of organized protests throughout the country, notably against nuclear power stations but also on many other issues.

To describe this new wave of general social unease as "unrest" would be an exaggeration in any other context, and probably in the West German, at this stage. It is also an exaggeration, since the national passion for orderliness expressed itself not only in the smooth running of the country, but also in a lack of flexibility, a mistrust of regulations is bound to get into difficulties when the rewards it offers in compensation become scarcer.

The political establishment is in no condition to meet this still largely suburban but increasingly important challenge to its authority. In Bonn, both Government and opposition have turned in on themselves. The shortage of ideas, the dearth of alternatives and the lack of room for manoeuvre, exacerbated by the recession, have left both camps with all too much time for factionalism.

In Herr Schmidt, West Germany has at its head one of the most gifted statesmen in the world. He made his name by coping brilliantly with specific crises, but a world recession is beyond his powers, and the domestic crisis of doubt is too vague and all-pervading to be crisply ordered out of existence.

The Chancellor appears increasingly isolated. He is too close to the political centre to enjoy much support from his party, the Social Democrats, now engaged in an overranging and spreading struggle between moderates and leftists.

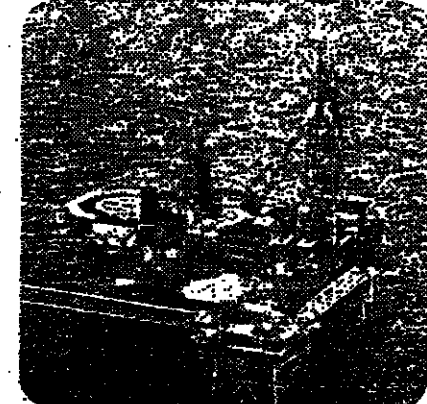
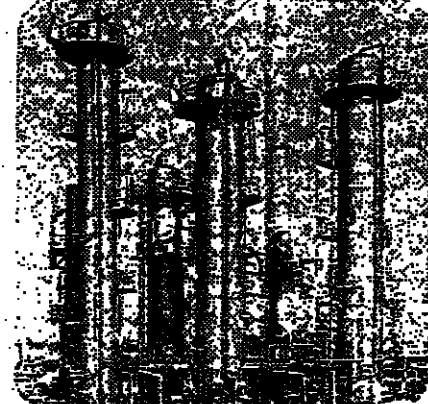
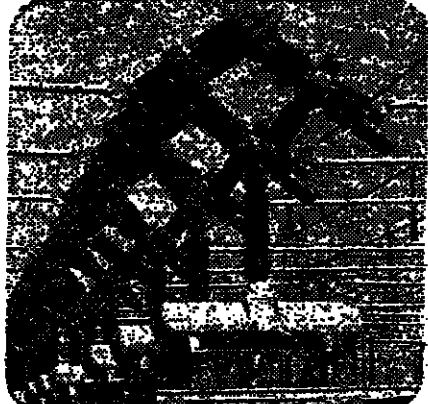
West Germany's difficulties are unique in quality, but in degree they fall far short of those of the rest of the world. The response to them, however, helps to explain why a recession is often called a depression. It is high time the West Germans started to count their blessings.

# VEBA putting Energy work for a secure Future.

VEBA's sources of strength are in the area of energy, manufacturing, trading and transportation. In each field Group companies operate under their own established names.

For instance, PREUSSENELEKTRA and VEBA KRAFTWERKE RUHR supply millions of households and many industrial users with electric power

specialize in worldwide trading and transportation with close on 1,000 offices strategically located throughout Germany and many countries around the globe. Gasoline is distributed through ARAL AG's 10,000 stations in Germany and other European countries. VEBA ranks as one of Germany's top industrial concerns with yearly Group turnover exceeding DM 27 billion.



generated from various fuels such as pit coal, oil, natural gas and nuclear energy.

VEBA-CHEMIE, a multi-product oil and chemical concern, concentrates in crude oil processing with vast experience in petrochemicals. It supplies fuels to industry as well as specialized products such as fertilizers to a broad clientele.

DEMINEX is active in global oil exploration with a substantial stake in the North Sea where exploitation will begin soon. STINNES and RAAB KARCHER

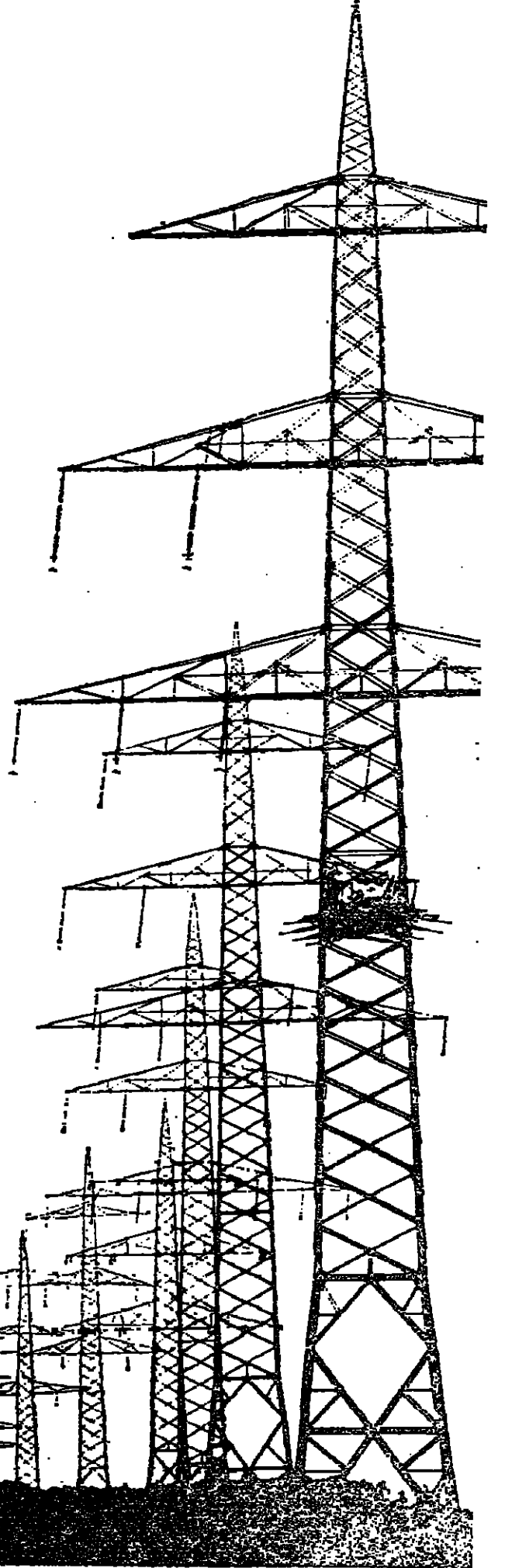
The Group's broad base makes it a good partner for joint venture projects on a national and international scale and its know-how in many fields can be of considerable benefit to its business partners.

With one million shareholders, more than any other European company, the VEBA Group contributes significantly to the broad spectrum of German economic life, and as one of the foremost energy concerns in the country, it is well positioned to meet the challenges of the future.

## VEBA

Energy is our Business

VEBA AG, Karl-Arnold-Platz 3 · P. O. Box 300306, D-4000 Düsseldorf 30 · West Germany





## ADVERTISEMENT

## Germany and the European Elections

The Bonn Cabinet has finalised the text of the draft Bills for direct elections to the European Parliament.

Like Britain, France and Italy, the Federal Republic of Germany will have 81 out of the 410 seats in the European Parliament. They will include three representatives from Berlin, who will be elected by the Berlin House of Representatives in accordance with the city's special status.

When it comes to how to elect "Euro-M.P.s", the ruling Bonn coalition of the SPD and FDP support the idea of proportional representation through federal lists, so that each voter has one vote for the party of his choice. The parties would put forward lists with the names of candidates and the seats would be allocated in proportion to the number of votes obtained.

The opposition CDU and CSU favour a system in line with what is already done in federal elections: they propose that 40 of the 78 deputies should be elected directly and that the country be split up into 40 large constituencies for that purpose. The other 38 would be elected by a proportional system via lists of candidates drawn up by the federal parties in each Land (state). This would mean that, as in federal elections, each voter has two votes, one for his constituency candidate and one for his party list.

Not just political parties but also other political organisations which have sufficient members will be entitled to put candidates in the field. The five-per-cent clause will, however, apply to them as well as to the political parties, i.e. only those which poll five per cent of votes cast can enter deputies into the European Parliament. This measure has been successful in the Federal Republic of Germany in curbing the proliferation of splinter parties.

### Right to vote

Herr Andreas von Schoeler, Parliamentary State Secretary to the Minister of the Interior, in outlining recently some of the technical aspects of the Euro-Parliament legislation, said that German citizens who would normally vote at home but were living in other member-countries of the Community could have the right to vote.

Members of the European Parliament will enjoy the same privileges and immunities as members of the Bundestag.

Bundestag members will as before be allowed to sit in the European Parliament as well—it is not felt that simultaneous membership of the two legislatures will lead to conflict. On the contrary, Herr von Schoeler said that it would give the European Parliament added prestige and influence to have among its members politicians prominent in public life back home. He added: "Politically, it would be most opportune, in the early days at least, to have a definite personal link between the European Parliament and the Bundestag."

### Political goal

Speaking in the Bundestag during discussion of the Bills, Herr Hans-Dietrich Genscher, the Foreign Minister, said: "With direct elections to

the European Parliament a new phase in the history of European unification will begin.

"We all know that the work of European unification has been strongly determined by economic factors and that it will continue to be determined in this way in the future. But the goal of European unification was always political: together we want to build a Europe which at home makes a life of freedom and self-determination a reality for all its citizens and which in the world at large stands for freedom, democracy and justice.

"Yet such a Europe should not be just a Europe of governments, it must become far more a Europe of the citizens. With the direct elections to the European Parliament we are taking a decisive step towards this Europe of the citizens, a step in the direction of a Community in which not just the member states have a democratic constitution but the Community itself as well.

"Today people regard the European Community principally as a huge control apparatus, far away in Brussels, and as institutionalised, continuous negotiation between the governments. The direct elections must give a new direction to this. For the first time a Parliament is coming into existence which has been—in the European sense—legitimised."

### "Live" idea

President Walter Scheel gave his view on the question of direct elections in a speech at Aachen on May 19, when the city presented him with the International Charlemagne Prize for his work for European unity. The President said:

"I welcome the direct election to the European Parliament with all my heart. This gives an opportunity for the idea of Europe to come alive again among the peoples of Europe. It must bring results, though, because otherwise there is the danger that the citizens of our countries become disappointed or (which is even worse) bored.

"Europe's political unification is a labour of peace. It does not serve merely the interests of Community members. It promotes the welfare of all European countries. Since it was founded it has been open to all the democratic countries of Europe. It seeks, too, peaceful co-operation with the countries of Eastern Europe; it seeks to build bridges to the other democratic countries of the world.

"The peoples of the Community would—as I see it—serve the cause of peace best if they were to join together in a European Union. Yet time is running out. If Europe really doesn't come to its senses quickly, the factors working towards disintegration could become uncontrollable.

"I believe that we should act quickly. The risk of doing nothing is great. The economy has undergone an unexpected upsurge because of the European solution. Why should Europe's political strength not expand likewise through a political coming together?"

"In the past many have sought to unite Europe by force. It always ran into trouble. Let us unite Europe with insight and of our own free will. It is the most beautiful and rewarding historical task that has ever been set us."

If you want to sell in Germany, talk to us first. Axel Springer Verlag. One of the country's biggest publishing groups. We can begin to help even before you begin to sell. Information, market statistics, advertising studies, media analyses, contacts in the field, informal advice—all yours, absolutely free—without obligation. And once you've defined your target audience, **Axel Springer Verlag** deliver it.

Decision-makers? DIE WELT picks up 690,000 readers every day—many of them the country's opinion leaders. The regions? BILD gives you 26 editions. Buy the lot and you've got Europe's biggest daily sale with 10½ million readers.

Families? HÖR ZU gives you the largest readership of any magazine in Europe—and 29% of the entire German population each week. WELT AM SONNTAG and BILD AM SONNTAG are respectively Germany's only national quality and popular Sundays.

Local papers, family, leisure, sporting and women's magazines—they're all part of the Axel Springer Verlag. No other publishing group offers you as wide a choice.

If you're thinking of Germany, we'd like to help. UK enquiries contact Kristian Wentzel, The Axel Springer Publishing Group, 58 Jermyn Street, London SW1. Tel. 01-493 9954. International enquiries contact Armin Klug, Advertising Sales International, Axel Springer Verlag, Kaiser-Wilhelm Strasse 6, 2000 Hamburg 36. Tel. Hamburg 3471, Telex 0211 898.

# The two most useful words in the German language.

## Nine neighbour states nudge the Federal Republic

by Dan van der Vat

Few countries are more conscious of their foreign relations than West Germany, which holds a world record in that it shares its borders with nine states.

The northern and western borders adjoin Denmark, The Netherlands, Belgium, Luxembourg and France—all members, with the Federal Republic, of the European Community. To the south lie the neutral, largely German-speaking Switzerland and Austria, with which West Germany enjoys excellent and uncomplicated relations.

On its eastern frontiers are Czechoslovakia and East Germany, the two front-line members of the Warsaw Pact. Just as the weather in West Germany tends to cool when the wind blows from the east, so the temperature of its relations with the Soviet bloc varies between cool and icy.

Although the Federal Republic occupies only the western half of the old German Reich, and although only the small states of Holland and Belgium lie between it and the west coast of Europe, West Germany remains a Central

European power, facing east as well as west, as Germany has always done.

As it is generally assumed that the main battle line in any outbreak of hostilities between Nato and the Warsaw Pact would lie along the "boundary" between the two states in divided Germany, the main preoccupations of West German foreign policy are easily understood.

In a sentence, Bonn seeks to anchor itself in the West through its membership of the Atlantic alliance and the European Community, while pursuing normalisation of relations and détente with the eastern bloc to reduce the risk of war, keep alive the faint hope of German reunification, and ease the lot of ethnic Germans in eastern Europe.

The Government maintains that the pursuit of the latter depends on and is inseparable from success with the former. Its relations with the rest of the world follow the pattern of those of most other western states.

In recent months, détente has not been in fashion in the eastern bloc as the Soviet Union adopts a wary posture towards a boisterous and unpredictable new American president. Mr Carter's human rights campaign is regarded in Bonn

with ill-concealed alarm as a potential threat to the fragile structure of improvements in relations with the east so painstakingly established over the past decade.

West German spokesmen publicly agree that the President's heart is in the right place but make no secret of their view that détente must come before the human rights issue, if a choice must be made.

The uneasy in Soviet-American relations has the inevitable incidental consequence of affecting Moscow's relations with West Germany, the United States' most important military and economic ally.

Relations with the eastern bloc are thus in a state of suspense, though the Russians, perhaps feeling their way towards a divorce, have begun to whisper sweet nothings in Bonn's ear. Important developments in Soviet-West German relations are being heavily hinted at for the visit in Bonn in the autumn of Mr Brezhnev, the Soviet party leader.

While in general for the West Germans all is quiet on the eastern front, they have recently experienced

unexpected difficulties in relations with Poland and East Germany.

The Polish media earlier this year suddenly opened a virulent anti-German campaign, rehearsing all the old canards about militarism and neo-fascism. This was recently revived after a hullabaloo over the visit of the Chancellor, Helmut Schmidt, to Warsaw in the autumn is likely to be a delicate affair.

For the West Germans, relations with East Germany have nothing to do officially with foreign affairs. They are separately handled by the Chancellery, and they are dreadfully bad, the situation in Berlin being, as ever, the focal point of the differences.

Not has it been well for Bonn this year in its crucial relations with its Western allies. If Herr Schmidt got off on the wrong foot with Mr Carter by openly favouring his rival, Mr Ford, in the presidential campaign, the new President began his term by giving the cold shoulder to the United States' leading ally and thus returned the doubtful compliment with interest.

West Germany can only rejoice that Mr Carter's initiative has already begun to lift NATO out of a stagnant period, as the alliance means more to Bonn than to any

other member. But the West Germans are seriously worried by the stagnation in EEC.

There is a widespread feeling that Bonn is getting a little in return for its contribution as by far the largest net provider of funds to a Community. Failure to keep the plan to have the first direct election to the European Parliament in 1980 could do serious damage to West German enthusiasm for Europe.

Generally, bilateral relations between West Germany and the other eight of the Community are good. The usual difficulties in peacetime relationship with France always excepted. A part of divided Germany ruled by communists, West Germans are particularly sensitive and mistrustful towards Eurocommunism and the real possibility of active communist participation in government in France and Italy.

Given that Herr Schmidt attaches special importance to his own relationship with the leader of socialist countering relations between their states, a warmth between himself and Mr Callaghan helps to ensure generally excellent Anglo-German relations. It only difficulty remains a question of offset costs of British forces in Germany.



Immigrant Spanish workers demonstrate in two languages.

## A grand coalition of malcontents brings dissent on to streets

"All Germans shall have the right to exercise by the people by means of elections and voting and by specific legislative, executive and judicial organs" (official English translation).

A large and increasing number of West German citizens feel this provision is being ignored in the spirit, if not in the letter. Despite a turnout of more than 90 per cent at the last two general elections, disenchantment with Parliament and the parties represented in it is growing fast.

The reasons are not hard to find. The political spectrum in West Germany is extremely narrow, regardless of the furious rows between Government and Opposition and the internal disputes within each camp, where the intensity varies in inverse proportion to the degree of difference of opinion.

The issue which has aroused the country over the past year more than all others put together is the national nuclear energy programme. But there is no discernible difference between the parliamentary parties on this; the Bundestag has therefore been unable to debate it in the true sense of the word and the state governments have been falling over themselves to grant planning permissions for nuclear power stations in almost indecent haste.

West Germany has already had to pay a high price for this cavalier treatment of the misgivings of hundreds of thousands of

citizens. They have taken up a weapon which is new in its present application if not its form—the Bürgerinitiative or civic action campaign.

There are now thousands of such campaigns, although estimates of the total number of such groups vary widely between 3,000 and 50,000. But it has been shown beyond doubt that the total membership of all these groups comfortably exceeds the two million people in West Germany who are politically committed enough to belong to the parties represented in the Bundestag.

Civic action groups campaign on all manner of issues, from demanding a kindergarten for a housing estate to opposing pollution. But it is the mass campaign against nuclear power stations which has attracted the most attention and support, and caused the most disruption.

In little more than six months, the energy protesters have established a nationwide umbrella organization, brought work on at least 18 power stations to a temporary or permanent halt, won the sympathy of the courts and wrecked the Government's nuclear power programme.

If these unprecedented victories prove lasting, they could mean the loss of hundreds of thousands of jobs and of thousands of millions of Deutsche marks to industry. The fact that the trade union movement, industry and finance are bound up with the legislature, the executive and the political parties in the

pro-nuclear front only exaggerates the objections in and about the movement.

Most campaigners are law-abiding and as orderly as only the Germans can be. But fanatic fringe groups of the far left (and far right, though to a lesser extent) are seeking by viciously provoking confrontations with the police to turn peaceful and genuine protest demonstrations into bloodbaths. There have been several frightening encounters between thousands of police and tens of thousands of demonstrators, which made appalling television and came close to disaster.

The overwhelming majority in the protest movement abhors the very thing element which, having miserably failed to gain any measurable support at the polls, seeks to further its destructive aims on the backs of thousands of concerned citizens.

At the same time, the violent minority is one indication, however distorted, of the way the wind of dissent is blowing in West Germany, which can be measured on a kind of Beaufort scale ranging from apathy to terrorism.

Between these two extremes are the passively satisfied, the vocally dissatisfied, the campaigners for new youth clubs, the orderly protesters against power stations, the non-violent but law-breaking demonstrators who are prepared to go as far as an illegal occupation of a site, the violent demon-

strators and those who, in and about the movement, are throwing bombs.

Somewhere in the middle of this scale are the thousands of students protesting across the country over a whole series of issues from inadequate grants university reform, by way of overcrowding, education, graduate unemployment and increased authoritarianism.

All this should not be taken to mean that German democracy is on the brink of collapse. Far from it. The entirely legitimate mainstream of this new powerful current of dissent is made up of young middle-aged, middle-class and well-educated people whose main aim is for more democracy, less.

Article 20 of the constitution has not been cited out reason. The "resistance clause" is being increasingly invoked in justice of the new wave of protest especially when it begins to incline towards breaking law.

It all amounts to a potent challenge to the danger of losing touch with the people, an inflation of bureaucracy increasing in size to the point of opposition which not only opposes a Government which has lost its way and a Parliament which appears daily less capable of truly representing an increasingly complex and un-

D. v. d.



## Unemployment still black spot after two years of economic recovery

orman

Two years since  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second

Two years  
economy began  
of the most  
on to have hit  
e the Second



A trade union federation meeting: little support for shorter hours and lower incomes.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

Increase in  
product ex-  
tensions with  
a 5.6 per cent  
off the offi-  
cially revised  
4.5 per cent  
and econo-  
mists be-  
lieve that the  
economic  
in West Ger-  
many is still  
comparably  
with fore-  
ign devel-  
opments.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

est bearing funds left over  
from the Marshall Plan days  
or at the disposal of the Gov-  
ernment-owned development  
bank, the Kreditanstalt für  
Wiederaufbau, the total of  
state intervention to counter  
the economic crisis that be-  
gan at the end of 1973 is  
more like DM24,000m multi-  
plied by three.

that was held back by an  
undervalued mark through-  
out the 1960s. Only now are  
the implications of change  
becoming generally apparent.  
Earlier this year, Herr  
Heinz-Oskar Vetter, the head  
of the trade union federa-  
tion, caused a stir in suggest-  
ing that full employment  
might be restored only if  
workers were prepared to  
work fewer hours and accept  
a commensurately lower  
income.

that was held back by an  
undervalued mark through-  
out the 1960s. Only now are  
the implications of change  
becoming generally apparent.  
Earlier this year, Herr  
Heinz-Oskar Vetter, the head  
of the trade union federa-  
tion, caused a stir in suggest-  
ing that full employment  
might be restored only if  
workers were prepared to  
work fewer hours and accept  
a commensurately lower  
income.

that was held back by an  
undervalued mark through-  
out the 1960s. Only now are  
the implications of change  
becoming generally apparent.  
Earlier this year, Herr  
Heinz-Oskar Vetter, the head  
of the trade union federa-  
tion, caused a stir in suggest-  
ing that full employment  
might be restored only if  
workers were prepared to  
work fewer hours and accept  
a commensurately lower  
income.

that was held back by an  
undervalued mark through-  
out the 1960s. Only now are  
the implications of change  
becoming generally apparent.  
Earlier this year, Herr  
Heinz-Oskar Vetter, the head  
of the trade union federa-  
tion, caused a stir in suggest-  
ing that full employment  
might be restored only if  
workers were prepared to  
work fewer hours and accept  
a commensurately lower  
income.

that was held back by an  
undervalued mark through-  
out the 1960s. Only now are  
the implications of change  
becoming generally apparent.  
Earlier this year, Herr  
Heinz-Oskar Vetter, the head  
of the trade union federa-  
tion, caused a stir in suggest-  
ing that full employment  
might be restored only if  
workers were prepared to  
work fewer hours and accept  
a commensurately lower  
income.

that was held back by an  
undervalued mark through-  
out the 1960s. Only now are  
the implications of change  
becoming generally apparent.  
Earlier this year, Herr  
Heinz-Oskar Vetter, the head  
of the trade union federa-  
tion, caused a stir in suggest-  
ing that full employment  
might be restored only if  
workers were prepared to  
work fewer hours and accept  
a commensurately lower  
income.

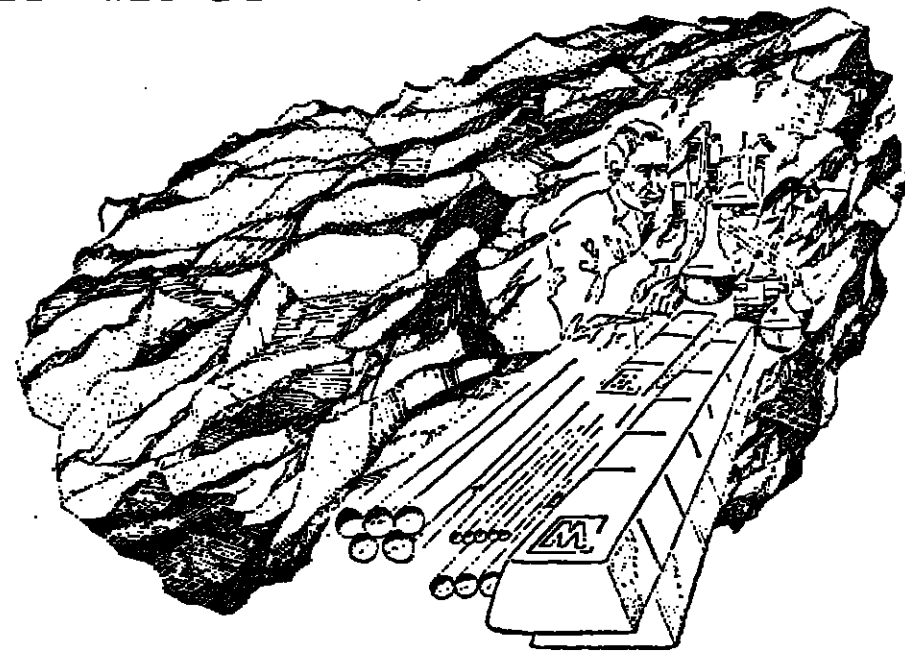
that was held back by an  
undervalued mark through-  
out the 1960s. Only now are  
the implications of change  
becoming generally apparent.  
Earlier this year, Herr  
Heinz-Oskar Vetter, the head  
of the trade union federa-  
tion, caused a stir in suggest-  
ing that full employment  
might be restored only if  
workers were prepared to  
work fewer hours and accept  
a commensurately lower  
income.

that was held back by an  
undervalued mark through-  
out the 1960s. Only now are  
the implications of change  
becoming generally apparent.  
Earlier this year, Herr  
Heinz-Oskar Vetter, the head  
of the trade union federa-  
tion, caused a stir in suggest-  
ing that full employment  
might be restored only if  
workers were prepared to  
work fewer hours and accept  
a commensurately lower  
income.

that was held back by an  
undervalued mark through-  
out the 1960s. Only now are  
the implications of change  
becoming generally apparent.  
Earlier this year, Herr  
Heinz-Oskar Vetter, the head  
of the trade union federa-  
tion, caused a stir in suggest-  
ing that full employment  
might be restored only if  
workers were prepared to  
work fewer hours and accept  
a commensurately lower  
income.

that was held back by an  
undervalued mark through-  
out the 1960s. Only now are  
the implications of change  
becoming generally apparent.  
Earlier this year, Herr  
Heinz-Oskar Vetter, the head  
of the trade union federa-  
tion, caused a stir in suggest-  
ing that full employment  
might be restored only if  
workers were prepared to  
work fewer hours and accept  
a commensurately lower  
income.

## We can't create Raw Materials -



but we do know  
how to find, refine, process  
and trade them.

We know because we at  
Metallgesellschaft have already  
spent the better part of 100 years  
in metals - prospecting, planning,  
financing, mining, transporting,  
refining and marketing. Some  
28,000 employees worldwide  
have built a formidable reserve  
of experience and capability,  
helping to minimise the risks, and  
maximise the opportunities  
inherent in the great and contin-  
uing adventure in metals.

We at Metallgesellschaft  
are continually strengthening our  
international trading and co-  
operative links, so to find out how  
Metallgesellschaft can cooperate  
in these fields with you, just write  
or call

Today Metallgesellschaft  
is among the world's leading  
producers of non-ferrous metals  
and one of the most active in  
dealing members on the London  
Metal Exchange, a manufacturer

of many semi-finished metal  
products sold worldwide, and a  
front runner in engineering and  
plant construction through its  
worldwide Lurgi subsidiaries. It is  
helping to solve energy problems  
by prospecting for and supplying  
uranium and perfecting the  
gasification of coal, and it is in the  
forefront of maritime research and  
exploration. Turnover in 1976  
exceeded \$ 2.4 billion.

Metallgesellschaft Ltd.  
19-21 Great Tower Street  
London EC3R 5AQ

The Ore & Chemical Corporation  
235 East 42nd Street  
New York, NY 10017

Metallgesellschaft Canada Ltd.  
2nd Floor Street East  
Toronto, Ontario, M4W 1A8

Metallgesellschaft of Australia Pty Ltd.  
808 St. Marks Road  
Melbourne, Victoria 3004

Metallgesellschaft (South Africa) (Pty) Ltd.  
Bosman Building  
Exit and Bree Streets corner  
Johannesburg

Metallgesellschaft do Brasil  
Avenida Eriberto Lima, 106  
107 st/1038  
01000 São Paulo, SP

Nihon Metallgesellschaft KK  
Hibiya Park Building  
Yurakucho, Chiyoda-ku  
Tokyo 100

Metallgesellschaft AG  
Reutenweg 14  
D-6000 Frankfurt am Main 1

## Law on workers' voice in firms the result of compromise

utcheson

on Mitbestim-  
mation), to  
effect an  
provides for  
val represen-  
holders and  
s supervisory  
West German  
at least

on Mitbestim-  
mation), to  
effect an  
provides for  
val represen-  
holders and  
s supervisory  
West German  
at least

on Mitbestim-  
mation), to  
effect an  
provides for  
val represen-  
holders and  
s supervisory  
West German  
at least

on Mitbestim-  
mation), to  
effect an  
provides for  
val represen-  
holders and  
s supervisory  
West German  
at least

on Mitbestim-  
mation), to  
effect an  
provides for  
val represen-  
holders and  
s supervisory  
West German  
at least

on Mitbestim-  
mation), to  
effect an  
provides for  
val represen-  
holders and  
s supervisory  
West German  
at least

on Mitbestim-  
mation), to  
effect an  
provides for  
val represen-  
holders and  
s supervisory  
West German  
at least

to reach a decision the chair-  
man has a second vote.  
The members of the board  
of management are appointed  
by the supervisory board  
with a two-thirds majority.  
Where this is not achieved  
an arbitration committee. And if  
the committee's proposal  
fails to get the necessary ma-  
jority the chairman may use  
his second vote. Together  
these provisions ensure that  
the shareholders' interest  
will in the last resort be re-  
spected. The employers' view  
has prevailed that the share-  
holders take the risk and  
therefore must have the final  
say.

to reach a decision the chair-  
man has a second vote.  
The members of the board  
of management are appointed  
by the supervisory board  
with a two-thirds majority.  
Where this is not achieved  
an arbitration committee. And if  
the committee's proposal  
fails to get the necessary ma-  
jority the chairman may use  
his second vote. Together  
these provisions ensure that  
the shareholders' interest  
will in the last resort be re-  
spected. The employers' view  
has prevailed that the share-  
holders take the risk and  
therefore must have the final  
say.

to reach a decision the chair-  
man has a second vote.  
The members of the board  
of management are appointed  
by the supervisory board  
with a two-thirds majority.  
Where this is not achieved  
an arbitration committee. And if  
the committee's proposal  
fails to get the necessary ma-  
jority the chairman may use  
his second vote. Together  
these provisions ensure that  
the shareholders' interest  
will in the last resort be re-  
spected. The employers' view  
has prevailed that the share-  
holders take the risk and  
therefore must have the final  
say.

to reach a decision the chair-  
man has a second vote.  
The members of the board  
of management are appointed  
by the supervisory board  
with a two-thirds majority.  
Where this is not achieved  
an arbitration committee. And if  
the committee's proposal  
fails to get the necessary ma-  
jority the chairman may use  
his second vote. Together  
these provisions ensure that  
the shareholders' interest  
will in the last resort be re-  
spected. The employers' view  
has prevailed that the share-  
holders take the risk and  
therefore must have the final  
say.

to reach a decision the chair-  
man has a second vote.  
The members of the board  
of management are appointed  
by the supervisory board  
with a two-thirds majority.  
Where this is not achieved  
an arbitration committee. And if  
the committee's proposal  
fails to get the necessary ma-  
jority the chairman may use  
his second vote. Together  
these provisions ensure that  
the shareholders' interest  
will in the last resort be re-  
spected. The employers' view  
has prevailed that the share-  
holders take the risk and  
therefore must have the final  
say.

to reach a decision the chair-  
man has a second vote.  
The members of the board  
of management are appointed  
by the supervisory board  
with a two-thirds majority.  
Where this is not achieved  
an arbitration committee. And if  
the committee's proposal  
fails to get the necessary ma-  
jority the chairman may use  
his second vote. Together  
these provisions ensure that  
the shareholders' interest  
will in the last resort be re-  
spected. The employers' view  
has prevailed that the share-  
holders take the risk and  
therefore must have the final  
say.

to reach a decision the chair-  
man has a second vote.  
The members of the board  
of management are appointed  
by the supervisory board  
with a two-thirds majority.  
Where this is not achieved  
an arbitration committee. And if  
the committee's proposal  
fails to get the necessary ma-  
jority the chairman may use  
his second vote. Together  
these provisions ensure that  
the shareholders' interest  
will in the last resort be re-  
spected. The employers' view  
has prevailed that the share-  
holders take the risk and  
therefore must have the final  
say.

side which employees belong  
to, which group-workers,  
salaried staffs and senior  
executives.

side which employees belong  
to, which group-workers,  
salaried staffs and senior  
executives.

side which employees belong  
to, which group-workers,  
salaried staffs and senior  
executives.

side which employees belong  
to, which group-workers,  
salaried staffs and senior  
executives.

side which employees belong  
to, which group-workers,  
salaried staffs and senior  
executives.

side which employees belong  
to, which group-workers,  
salaried staffs and senior  
executives.

## Bayerische Vereinsbank one of Germany's major banks reports:

During the last five years BV group assets  
have more than doubled  
(billions of DM).

	1971	1972	1973	1974	1975	1976
Bayerische Vereinsbank Group	23.65	31.22	35.94	41.22	48.72	56.75
Total Assets					31,12.71	31,12.76
Due to Customers					23,654	56,752
Due from Customers					9,216	15,130
Bonds Issued					6,620	12,284
Mortgage and Public Authority					11,017	31,192
Capital Resources					10,903	31,864
Consolidated Profit					739	1,388
					45	86

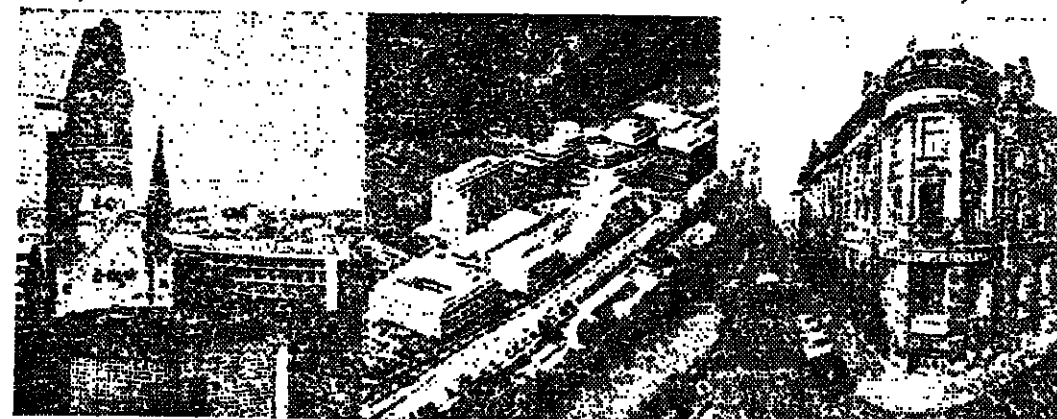
millions of DM

Foreign branches in New York, Chicago, Grand Cayman and an agency in Los Angeles. Repre-  
sentative offices in London, Paris, Caracas, Johannesburg, Rio de Janeiro, Tehran and Tokyo.

Bayerische Vereinsbank  
International S.A.  
17, rue des Bains  
L-Luxembourg  
Telephone: 428611  
Telex: 2652 (bvlu)

Representative Office for the  
United Kingdom  
40, Moorgate  
London EC2R 6AY  
Telephone: (01) 628 9066-70  
Telex: 887876 (bvlg)

Bayerische Vereinsbank  
Head Office  
International Division  
Kardinal-Faulhaber-Strasse 1  
D-8000 München 2  
Telephone: (089) 2132-1  
Telex: 523321 (bvmd)



Berlin, one of our 380 branches

Our Administration Centre ...

and Head Office Munich

**BAYERISCHE  
VEREINSBANK**  
INCORPORATING BAYERISCHE STAATSBANK AG



This page and the next two pages are devoted to some of the main industrial sectors and the politically contentious issue of nuclear power projects

## STEEL

## Makers still live with the crisis

by Peter Norman

In October 1974, top managers from steel companies throughout the world gathered in Munich in a mood of optimism. It was West Germany's turn to host the annual conference of the International Iron and Steel Institute and the proceedings were unusually festive. The world's steel industry was booming. Although the previous winter's oil crisis gave cause for some uncertainty, it was generally expected that demand for steel would continue to rise.

A few weeks later the world steel boom ended abruptly. Demand fell, prices slumped and profits turned into losses. The steel crisis had begun. Now, more than two and a half years later, Germany's steel makers are still having to live with the crisis.

Last year's hoped-for revival in the demand for steel failed to come about. Crude steel production, which in 1975 fell by nearly a quarter to 40,400,000 tonnes from 1974's record level of 53,200,000 tonnes, rose by a paltry 5 per cent to 42,400,000 tonnes in 1976. The outlook for 1977 is clouded with uncertainty. Orders fluctuate at a low level from month to month, more than a quarter of the industry's labour force was on short-time working in the spring and production is not expected to rise significantly over the year.

Germany's steel industry is in a crisis which has structural as well as cyclical hallmarks. But so far the industry has been tackling its problems itself. Germany is one of the few countries in Europe where the state has not intervened to help the industry and where imports still have a largely unrestricted access to the market.

Two factors have put a

special pressure on Germany's steel makers. One is the dominating position achieved by Japanese manufacturers on world export markets since the end of the boom in the final months of 1974. The other is the rising cost of labour at home in relation to other countries since the floating of the mark in 1973.

The past two and a half years of crisis have seen Germany lose its position as a large-scale net exporter of steel. Exports last year were down to one million tonnes from 11 million in 1974.

The Japanese penetration of third-country markets, thanks largely to aggressively low prices, has not only cut into German steel exports but has forced traditional exporters in the European Community, such as the steel industry in the Benelux countries, to look nearer home for customers.

In consequence, Germany's share of crude steel produc-

tion in the European Community fell to 31.6 per cent last year from 34.43 per cent in 1974. At present importers are taking about 37 per cent of the German market compared with an average of 34 per cent last year, 29 per cent in 1975 and only 24 per cent in 1974.

Low prices and high labour costs mean that German manufacturers are finding that they can no longer compete in markets for simple technology steels such as reinforcing bars for the construction industry and are abandoning this sector to low-cost producers in northern Italy, Japan and the Third World.

But in spite of this structural problem, the German steel industry is still generally cool towards the interventionist policies of the Brussels Commission on the European steel market.

Vicomte Davignon's limited package of recommended prices for a series of steel products and minimum prices for reinforcing bars is accepted as a lesser evil than total dirigisme.

The fundamental adherence to the idea of a free world market for steel is partly recognition of the fact that free trade helped the steel industry to grow and flourish in the 25-year period of affluence after 1950. It is also a sign that the German steel industry believes that it can successfully adjust to the changed conditions that exist in the market for steel.

## Investment in heavy plant industries

The German steel industry is planning its hopes on remaining competitive in high technology special steels and broadening its activities to include the engineering and heavy plant industries. The large German groups were already investing heavily in these directions before the crisis broke and the recession has had the effect of accelerating the process.

Today, Fried. Krupp Hüttenwerke the steel making arm of the Krupp Group, can claim to be primarily a producer of special steels, special steel products and high-quality sheet steels. Mannesmann, having at an early stage subordinated its steel making activities to pipe making, is now a diversified engineering concern, while Thyssen, the largest of the German steel groups, is at the same time one of Germany's largest engineering concerns.

But it is unlikely that the steel industry in Germany will come through the crisis unscathed. The fragmented steel companies in the Saarland are only now beginning a belated adjustment to the tougher competitive conditions that exist in Europe. More than 2,000 jobs will be lost this year and the Economic Ministry in Saarbrücken has calculated that another 8,000 will have to go if the industry in that state is to remain competitive with the large concerns based in the Ruhr and Lower Saxony.

by Peter Waymark

Of all the European car industries the German industry has made the quickest recovery from the effects of the oil crisis and world economic recession. The motor industry's growth rate in the past two years has been double that for German industry as a whole and half of Germany's economic growth in 1976 was due to the rise in demand for cars.

New car sales last year reached 2,300,000, which was a record, and encouragingly for the home manufacturers the share of the market taken by imported cars, 21.7 per cent, was at its lowest level since the late 1960s. Total car production, at 3,547,000, was only slightly below that of the peak year of 1971.

But the strength of the Deutsche mark against other currencies has tended to make German cars more expensive and less competitive abroad and this is being reflected in export sales. Although more cars were sold abroad in 1976 than in the two previous years, the total was still 15 per cent below the record 1973 figure and for an industry exporting about half its production currency fluctuations must be a cause of concern.

The ups and downs of the German car industry in recent years can be illustrated by the experience of Volkswagen which, as the biggest manufacturer, is often regarded as a barometer. The oil crisis caught Volkswagen in the throes of a huge investment programme which had as its aim the development of a complete range of new models to lessen dependence on the aging Beetle.

The enormous cost of launching these new cars, together with falling demand both at home and abroad, produced a loss in 1974 of DM807m (£175.5m) and for a while it was touch and go whether the banks would be prepared to tide the company over. Government intervention, as was to happen with British Leyland, became a strong possibility.

But despite further heavy losses in 1975, VW has been able to come through the crisis and now looks stronger than before. Its new generation of cars, from the little Polo to the revised Audi 100, has been widely acclaimed and is selling strongly. The American market, though, is much weaker than in the heyday of the Beetle and this will be one of the main problems for the future, especially as VW is committed to a manufacturing base there.

The other volume producers, Ford and Opel, also suffered badly in the recession but like Volkswagen have managed to climb back. Ford's nadir came in 1974 when it was humiliatedly outside in Germany by Daimler-Benz. Since then, with stronger management and improved versions of the Capri, Escort and Tempra (Cortina) it has doubled its



Production at Opel, the General Motors subsidiary, which has been successful with its new range of outcunning with Volkswagen for the market leadership.

sales and with the launch last autumn of the Fiesta has the widest, and probably the best, model range in its history.

In 1973 Opel, the General Motors subsidiary, was selling more cars in Germany than Volkswagen but the following year proved to be its worst since the war as demand, particularly for the larger models, fell off sharply. Fortunately Opel had a new Ascona/Manta range in the pipeline and helped by this, and the general economic revival, is now back in contention with Volkswagen for the market leadership.

Paradoxically, the com-

panies affected least by the recession were those at the luxury and performance end. Daimler-Benz, with nothing in its range below two litres, might have seemed vulnerable to the United States where the Administration is taking a tough line against the so-called "petrol guzzlers".

But while other manufacturers were forced on to short-time working, demand held up well and production went on increasing almost as if nothing had happened. It is now approaching 400,000 cars a year, a remarkable figure for a luxury firm.

Daimler-Benz has been

able to call on two main assets: a reputation for quality and loyal customers of sufficient means not to have to worry about the price of fuel. But as an

insurance policy it has

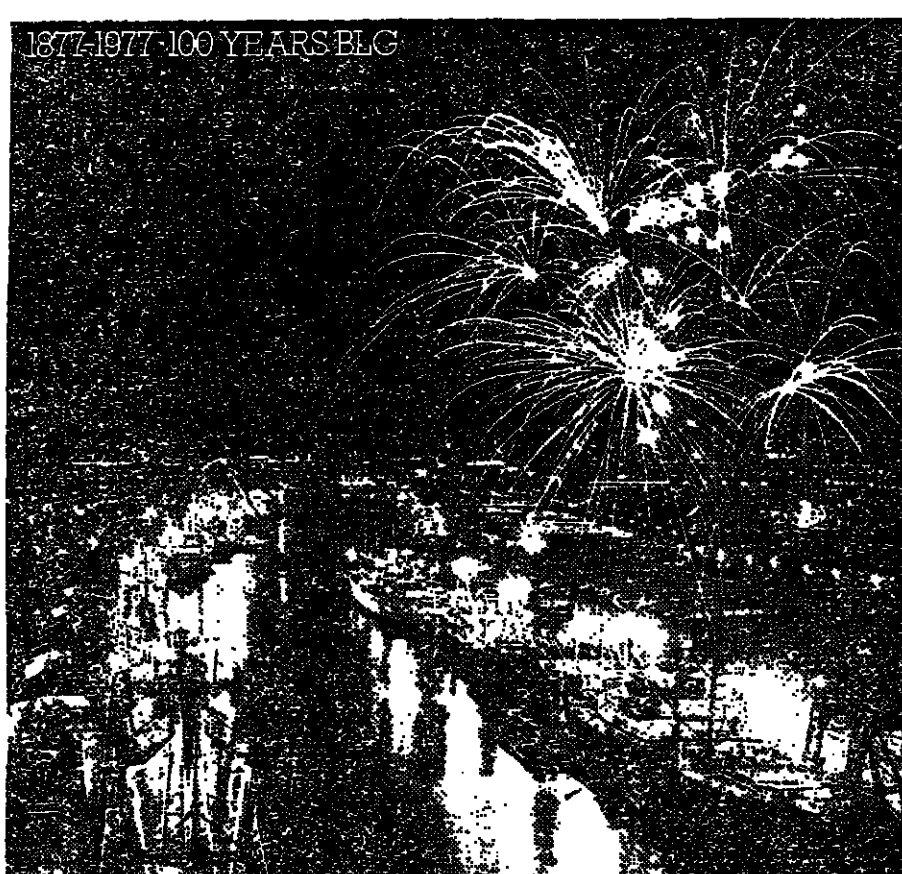
switched production to a significant extent from petrol cars to the more economical diesels, mainly with an eye to the United States where the Administration is taking a tough line against the so-called "petrol guzzlers".

BMW's image up to the oil crisis was based on performance; the appeal was to motorists who wanted to get there quicker than the next car. The company was shrewd enough to realize that in the changed conditions after 1973, this approach was no longer tenable and the emphasis was abruptly switched to previously unused features like comfort, safety, and refinement. As it happened,

the cars fitted the new just as well as the old. BMW was able to through the oil crisis or less unscathed.

Like Daimler-Benz, it has managed to increase production year by year in 1976 made some 27 cars. It is in the happy position of working almost capacity and yet unable to meet the demand for a models. The recent launch of a new six-cylinder can only strengthen BMW's grip on the quality/effective market.

The author is Motoring correspondent, The Times.



## The start of our 2nd century.

It's our birthday! We - the Bremer Lagerhaus-Gesellschaft with our 4,000 employees - are proud to be celebrating the first hundred years of the company's existence. Proud to have been at your service operating the Ports of Bremen.

Our centenary is a great occasion to say thank-you to all

our friends around the world for the confidence they have had in us all these years.

Now, at the start of our second century, we've got every reason to be happy. Modern facilities have taken the place of the hand-cart of years gone by. Long ago the leisurely movements of the cranes gave the port that

romantic air. Today ultra-modern container facilities do the work of days in a matter of hours.

In the past we mastered any problem that came our way. With your help we'll master the problems that will crop up tomorrow. For your benefit.

**BLG**  
Bremer Lagerhaus-Gesellschaft

## Dresdner Bank your international partner reports on 1976

- Group's business volume in excess of DM 100 billion
- Continued international expansion

Dresdner Bank, financing 20 percent of the foreign trade of the Federal Republic of Germany, again achieved a substantial increase in its international business.

Assets in international business went up to DM 16 billion. International project financing has gained increasing importance among the bank's activities. Projects in the energy sector include nuclear power plants, long-distance gas pipelines, coal gasification plants and thermal power units.

New offices were opened in Bahrain, Hongkong and Toronto; offices in Houston (Texas) and Jakarta will follow shortly.

In consequence of the international importance of the bank's business and the increasing number of non-German shareholders - about one fifth of Dresdner Bank's stocks are held by foreigners - the bank's shares are now listed on most of the European stock exchanges.

The activities of Dresdner Bank's subsidiaries were also very successful. After only ten years of operation the Compagnie Luxembourgeoise de la Dresdner Bank AG - Dresdner Bank International achieved assets of DM 13 billion.

The Deutsch-Südamerikanische Bank (DSB) with a business volume of DM 4 billion, again successfully expanded its financing volume, which is chiefly concerned with foreign trade with Latin America.

Cooperation with our partner banks in ABECOR - Associated Banks of Europe - was further intensified. ABECOR, with total assets of about US \$200 billion, is the largest international group of this kind. Dresdner Bank has more than one hundred years' experience of international banking, and is active in more than 50 countries all over the world.

Branches of the Dresdner Bank group in London, Chicago, Los Angeles, New York, Singapore, Tokyo, Panama, Zurich.

Representative offices in Asunción, Beirut, Bogotá, Buenos Aires, Cairo, Caracas, Hongkong, Istanbul, Johannesburg, La Paz, Lima, Madrid, Manama (Bahrain), Mexico City, Montevideo, Moscow, Panama, Paris, Quito, Rio de Janeiro, Santiago de Chile, São Paulo, Sydney, Tehran, Toronto.

Call on us at Dresdner Bank. You'll find the international banking partner your business needs.

Head Office: Dresdner Bank AG,  
7-8 Gallusanlage, 6 Frankfurt/Main  
Telephone: 2631, Telex: 4-1230  
Federal Republic of Germany

## Important figures from the Consolidated Balance Sheet at December 31, 1976 and 1975

	in millions of DM	
	1976	1975
Total assets	84980	74102
Total loans and advances	67529	57836
Loans extended on bills	3957	3670
Loans and advances to customers	30803	25469
Mortgage loans	18449	15678
Loans and advances to banks	4057	3211
Guarantees	10263	9808
Bonds	2874	2024
Other securities	1324	1009
Deposits from customers and long-term liabilities	60816	54623
Demand deposits	8198	8479
Time deposits	19332	16447
Savings deposits incl. savings certificates	14875	13789
Mortgage bonds issued	18411	15908
Capital and reserves	2688	2191
Capital	780	670
Published reserves	1888	1521

The complete Annual Statement of Accounts at December 31, 1976, audited by Treutmann & Partner Aktiengesellschaft, Frankfurt/Main, was published in the Bundesanzeiger No. 66, of May 6, 1977.

Dresdner Bank



## AVIATION

## Emphasis put on quality rather than size

Reed

sub-contractor on one or more of the new generation of subsonic airliners which the Americans are preparing to develop, such as the Boeing 747 and 767.

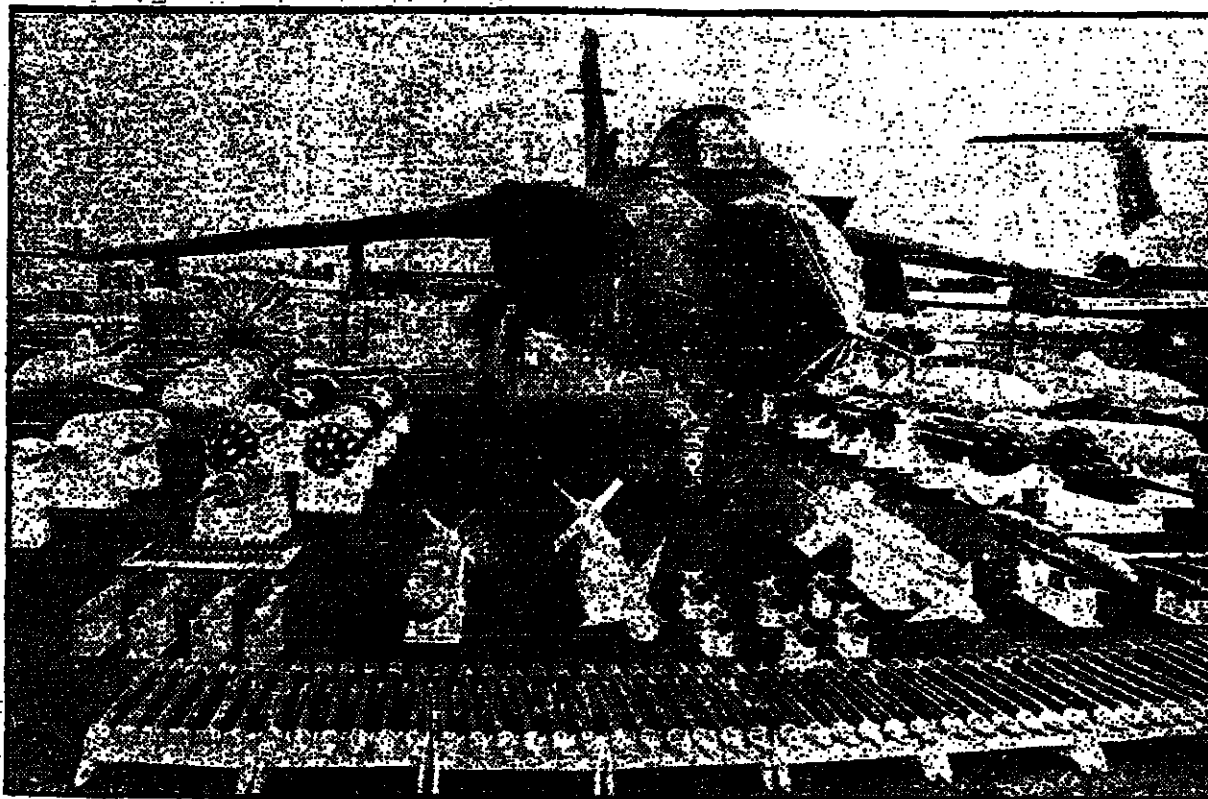
The West German aerospace industry would be able to take on and accomplish such contracts in both military and civil sectors entirely in its own technological right.

The industry has developed its potential with two of the most advanced and important aircraft projects in world aerospace today—the three-nation multirole combat aircraft (MRCA), now called the Tornado, and the five-nation European A300 Airbus.

In both these projects, West Germany is closely associated with the British aircraft industry, and there is little doubt that much of the German industry's new-found skill has come from this direction.

The third partner in the MRCA project is Italy, and each of the three countries will have its own assembly line for this advanced fighter-bomber, with its variable-geometry wing and top speed well over twice that of sound. This is to form a main plank in the inventories of all three air forces from the early 1980s.

A lengthy period of research and development on the Tornado is well under way (the first of nine prototypes flew in 1974).



The German-British-Italian Tornado, which has provided important work for the German industry.

and full-scale production is being planned between West Germany and Britain. The long-term plans are for the West German Air Force to have a lighter, smaller fighter for the 1990s based on the lessons learnt from the MRCA programme, and this could well be developed between the two countries.

West Germany is the important partner both financially and technically with France in the European Airbus project, Holland and Spain being the other partners at government level, with Britain making the wings as a commercial venture. The West German industry makes large sections of the fuselage, which

are then shipped to Toulouse for final assembly.

The Airbus is working well in service with the airlines, which include Lufthansa, the West German national carrier. Sales are slow, but Airbus Industrie, the five-nation consortium, has "captured" nine air lines around the world, all of which will come back for more Airbus in the future.

Two other international projects in which the aircraft industry has played an

important role are the 40-seater VFW-Fokker 614 airliner, easily distinguishable in flight because its twin M45H jets, developed by Rolls-Royce and Snecma (the French aero-engine company) are mounted on top of the wings, and the Alpha Jet military trainer, which Dornier has developed with the French firm Dassault-Breguet.

West Germany is developing its own helicopter with the MBB BO 105 helicopter, a six-seat utility machine which is beginning to sell around the world.

The author is Air Correspondent The Times.

## ENGINEERING

## Sudden decline reflects fragmented nature of industry

Cook

previous year. For the whole of 1976 the increase was 12 per cent with all the growth coming from abroad. Disappointment was not long in coming, however. The January figures showed a disastrous 77 per cent slide in total orders, showing that home and foreign demand for machinery was still unstable and pouring cold water on hopes of an upturn in industrial spending on capital goods.

The next two months

showed some improvement, but the latest April statistics have come as a further up- welcome shock for the industry. New orders were down by a total 17 per cent on the previous month and only 1 per cent up on the level of April, 1976. According to the German Machinery Manufacturers' Association (VDMA), turnover in real terms during the first four months of 1977 was 2 per cent lower than in the same period of last year.

This jerkiness illustrates the highly fragmented nature of Germany's mechanical engineering sector, which last year earned a record DM 38,000m surplus on its foreign trade, slightly better than the figure recorded for the whole economy. Its 1976 exports rose a modest 11.4 per cent to DM 52,000m, while imports moved ahead more smartly at 16.4 per cent to reach nearly DM 14,000m. The industry's turnover rose by about 8 per cent

during 1977 to DM 92,000m, almost level pegging with the chemical branch, which had a boom year after suffering in the recession. Production was also 8 per cent higher at DM 84,000m, though price rises seem to have made up at least half of the increase.

Progress within the 38 different branches of the VDMA, which has some 3,000 member firms, varies widely. About 180 firms have gone out of business in each of the past few years, and the labour force has gone down from more than 1,200,000 people in 1973 to 1,060,000 last year. The industry began 1977 with more than 30,000 workers on short time, though this was far less than the 140,000 affected the previous year when the industry was doing its best to clamber out of the recession.

Altogether, new orders booked by the industry went up by 7 per cent last year. Yet demand from German customers showed a real 10 per cent drop. This was offset by a 22 per cent jump in foreign orders, including a spectacular boost from some large orders, including one for the power stations from the Iranians.

Without these, however, foreign orders were up by a real 10 per cent. The VDMA said that these figures showed, in its end of year assessment, that investment activity was still too slack to be viewed as self-sustaining. Moreover, companies were also subject to intense competitive pressures and had been hit by rising costs. But if the short-term outlook is hardly attractive for the country's engineering firms, except for the big ones like Gutehoffnungshütte and its subsidiary MAN, which benefit from orders from oil producing and Eastern block countries, what are the prospects in the longer term? Clearly, the industry is having to adapt to meet the competition in standard machinery products from lower-cost nations, with its sales to the industrialized countries of the West falling as a proportion of the whole.

As a result, companies are realising more and more that their future lies in the complex technological potential of computerized control systems which allow a more flexible approach in turning out products for individual customers. The Japanese and the Americans long ago realized this: their use of numerically controlled machines is well ahead of that in Germany, even though there is no apparent gap in technological knowledge.

One reason for the Germans' delay in waking up to the value of numerically controlled machines is busyness with the rapid pace of innovations coming on to the market. Since most of the engineering firms—especially those in the highly export-dependent machine tool sector, the biggest of the 38 branches of the VDMA—are small and undercapitalized, their research efforts are often inadequate and ill-defined.

Even so, more and more small companies are turning

to numerical controls, which make it easier to switch between orders of differing specifications and enable machinery to be used more fully. There are at least 5,000 numerically-controlled machines in use in Germany, though there are no exact figures available. Most of these are lathes, and leading makers of numerically-controlled equipment, such as Siemens, which is partnered by Japan's Fujitsu Fanuc, and AEG, report an encouraging surge of interest among firms with fewer than 500 employees.

Tailoring its products to meet the ever more demanding requirements of other industries is obviously of key importance for Germany's mechanical engineering sector, which exported 67 per cent of its output last year. For machine tools alone, the share going to foreign customers was as high as 72 per cent. But VDMA is worried by the gradual decline in the importance of Western markets.

In 1973, EEC countries bought nearly 41 per cent of Germany's total machinery exports. But this had fallen to less than 35 per cent by last year. The United States now accounts for less than 5.5 per cent against more than 6 per cent three years ago. Industrialized countries still buy nearly two-thirds of German machinery exports, but their share is not expected to rise again in the next few years, and could even drop further. Since home demand especially with the economy's present sluggish progress, can never suffice to take up the slack over the whole industry, this is an obvious cause for concern.

A healthy slice—more than 10 per cent—of the industry's exports goes to the Comecon block, but growth has slowed recently, the margin of profit is often minimal or non-existent, and there is always the question of barriers, which the East is becoming keener on as its foreign exchange problems grow more acute.

Business with Opec has certainly been booming and last year exceeded business with communist countries for the first time, rising by 34 per cent to just below DM6,000m.

What troubles the VDMA is that few Arab oil producers are likely to be able to build up capital goods industries to match those of Eastern Europe or the West. This means that makers of heavy equipment like building machinery and pumps stand to benefit most from Opec orders. The key machine tool branch, which does a good deal of business with Comecon, has less of a role here.

German engineering firms do good business with the developing countries too—almost DM6,000m in 1976—but many of these are emerging as potential competitors in the low-cost standard machine products. The challenge for the industry is clearly how to meet such problems at a time of lacklustre economic growth at home and continued uncertainty in such important markets as Britain, Italy and France.

BOMIN is located at the focal point of Europe



BOMIN's publicity focusses on Europe's energy needs



IMPORT AND EXPORT OF CRUDE-OIL PRODUCTS

BOCHUMER MINERALÖL GESELLSCHAFT  
MBH & CO BOCHUM KÖNIGSALLEE 175  
TEL: 7791. TELEX: 0825838. GERMANY

Hapag-Lloyd

General UK Agents: Brown Jenkinson & Co. Ltd. Tel: 01-591 4222. Telex: 897411/14  
Scottish Agents: John G. Bolland & Peat, Ltd. Tel: 041-204 2111 (10 lines). Telex: 77254  
Hapag-Lloyd (UK) Ltd: 8-6 Old Bond Street, London, W1. Tel: 01-408 0988. Telex: 282792

**Hapag-Lloyd:**  
world wide  
carriers by  
land, sea & air.  
World wide carriers  
reliable, regular, on time.

We have 231 bases in fourteen different trading areas throughout the world. Some 60 vessels with more to come. Containerships and cargo liners, LASH and bulk carriers. We own 34,300 containers, tugs and barges, quays and docks, warehouses and workshops — and 8 jet aircraft. We cover the world with 450 freight agents at ports large and small, at big cities and in the provinces. We employ over 11,000 people — well-trained and eager to help bridge the transport gap between you and your customers.



## CHEMICALS

## Two troubles mar generally healthy picture of crucial industry

by Roger Hardman

The world's three largest chemical companies are West German, and the chemical industry is of crucial importance to the West German economy. Over the past 10 years it has grown at over twice the rate of the gross domestic product of West Germany generally, and half as fast again as the United Kingdom chemical industry. Profits for the companies concerned are good, output per employee is high, labour disputes are rare. Yet, for all that, the West German chemical industry is by no means trouble free.

It has two main problems. One stems from having too large a social conscience. The other has its roots in the present high value of the Deutsche mark in world currency markets, which

might now start restricting the growth of West German chemical exports.

In terms of pay and fringe benefits, West German chemical industry employees are the best treated in the world. The tendency of enormous chemical complexes to dominate employment prospects in the surrounding area, and a feeling of great responsibility by the companies to their employees in times of recession, led the German big three (Hoechst, BASF and Bayer, combined world sales more than \$116,000m) to carry a great deal more surplus labour than perhaps they should have done.

In 1975 the average worker-hour in the West German chemical industry cost \$7.20, against \$7.12 in the United States and only half that in the United Kingdom. The West German Chemical Industry's Association sug-

gests that 1976 saw 58 an hour, with 1977 heading for almost \$9 from the look of the latest round of wage settlements.

Now, wages are not as crucial a factor in the chemical industry as they are in engineering. The industry is capital intensive and a modern automated petrochemical plant needs few people to run it—considerably fewer, in fact, in West Germany than in the United Kingdom would need. Labour costs in West Germany soak up only 19 per cent of sales income.

Even so, this illustrates that the chemical business, in common with the rest of West Germany, is finding that the nation's economic success over the past 20 years is now bringing some complications in its wake. The complications are made all the more perplexing because the West German companies tradi-

tionally look after their workforce more carefully than companies in the United Kingdom or the United States.

The synthetic fibre business provides a good example of this. While, by reducing labour forces and closing plants, companies such as ICI and Du Pont in the United Kingdom and United States have now managed to get their synthetic fibre operations working at a profit once more, the German companies are still losing significant sums of money. At Hoechst, the worst hit of the big three, losses in fibres amounted to DM 35m in the first quarter of 1977, and at one time business was so bad that everybody in the fibres division from its managing director downwards took a 20 per cent pay cut and worked a four-day week.

Hoechst derives 9 per cent of its business from fibres and is understandably

the most worried of all the companies by the fibres problem. It is the only company to have followed, belatedly, the American example and try plant closures as a means of solving over-capacity. Yet its one attempt at closure, in April, created a political uproar.

Hoechst wanted to shut down part of its plant in Berlin, where two-thirds of the workforce was producing only 40 per cent of the output. In true German style it offered all Germans jobs at other Hoechst plants elsewhere in Germany, and later even extended this offer to the Turkish guest-workers.

Even so, the Government was deeply upset and a bitter dispute flared in the German newspapers between Herr Rolf Sammet, the Hoechst chairman, and members of the administration.

It is possible to argue that Berlin is an exceptional case. Economically it is ailing. Every job that moves from the city into the main part of West Germany reduces the logic of the case as an economically and politically viable unit. Yet in almost every major chemical manufacturing centre unemployment would create serious local problems. At Ludwigshafen, for instance, BASF employs 50,000 people in a plant three and a half miles long by one and a quarter miles wide, that is served by no fewer than three railway stations. The Hoechst plant near Frankfurt almost wraps itself around the town of Höchst.

Its protective attitude towards its workforce has had a considerable bearing upon the high price of its chemical exports in world markets. For with the provision of new jobs having been of primary concern, the industry has tended to build new plants in Germany for 1977. A mere 575,000 rather than overseas, and rely on direct exports for its dominance of world markets. Almost 40 per cent of the industry's output is exported, as against 24 per cent of the United Kingdom's output. This discrepancy is not because the output of the United Kingdom is lagging

behind, but because while the Germans have stayed at home, British companies have built plants overseas, where the markets are.

Given a fair exchange rate and stable currencies, there is nothing wrong with the German approach. But with the Deutsche mark now up to 25 to the dollar the German industry has found its export prices in Deutsche mark terms to be actually falling, despite price increases in Deutsche mark terms. Officials in the leading companies are claiming that price resistance overseas is starting to cost them business. While the latest pronouncements have undoubtedly been coloured by the imminence of some exceptionally delicate wage negotiations (which may result in a strike at BASF Ludwigshafen and other Rhine-Ruhr plants) there is certainly a lot of truth in this.

However, it would be wrong to overplay the seriousness of the problems. Profitability in the West German industry is in line with that of the chemical industry elsewhere in the western world and growth rates have in the past been exceptionally high, so there is certainly plenty of cushioning available. For all the impact of the recession and the problems of the high exchange rates West Germany still produces half as much sulphuric acid again as the United Kingdom and three times as much as Holland, over twice as much plastics and caustic soda as France and over three times as much plastics as the United Kingdom.

Industry output is still expected to grow at between 7 and 8 per cent this year. The major companies are confident enough to be investing between DM 5,000m and DM 6,000m in new plants and machinery. The industry has 127,000 employees, 2.5 per cent of the total national workforce, will still be producing 9 per cent of the nation's gross domestic product and, according to which definition you use, anything up to 16 per cent of the chemical output of the market economy countries.



At work in the pharmaceutical division of Bayer.

## NUCLEAR POWER

## Government firm on energy plans despite public protests

by James Hutchinson

In the past few years West Germany's nuclear energy programme has been cut back by a third, largely because of a campaign by Bürgerinitiative (citizens' action groups), who claim that atomic power entails a risk too big for responsible people to take.

Three and a half years ago, in the first revision of the energy policy programme, the Government stated that it would be necessary to install 20,000 MW of nuclear power by 1980—equal to a share in electricity generation of 25 per cent—and 45,000 MW by 1985. A more desirable target, it was said at the time, would be 50,000 MW, supplying 45 per cent of electricity needs.

A new revision of the programme has been promised for this summer, but it is already clear that at most a capacity of not more than 30,000 MW can be expected by 1985. Reliable forecasts are impossible, since so many uncertain factors are involved. A crucial question, still to be resolved, is the siting of a plant for reprocessing nuclear fuel elements and storing atomic waste.

The only state of the Federal Republic geologically suited to accommodate such a plant is Lower Saxony, because of its subterranean salt dome structures. After much hesitation the state Government suggested that the only suitable site was at Gorleben, near the East German border. The Federal Government had proposed that the nuclear energy industry should have turned down Gorleben out of hand. Investigations on Gorleben's suitability are now going on, but even assuming that there are no big hitches, it would be well over 10 years by the time the plant was fully operational.

However, the nuclear energy programme is by no means at a standstill. Fourteen stations are in operation (although nine of these still require final approval), 12 are being built and eight others are in the planning stage. If, as expected, annual economic growth remains at about 4 per cent until 1985, energy needs should be met.

According to this prognosis, primary energy needs will rise from 347,700,000 tons in 1975 to 496m tons in 1985—an average annual growth of 3.6 per cent. Productivity in West Germany is expected to grow in the long term by at least 3 to 4 per cent a year. Should economic growth lag behind the increase in productivity, the unemployment problems would be greatly aggravated (for every percentage point that growth is behind productivity some 250,000 jobs would be lost). Nor could the financing of social security schemes be maintained without an adequate rate of growth.

The Government has reminded the citizens' action groups so far without success, that economic growth and therefore security of em-

ployment, depends on an adequate supply of energy being available.

Herr Hans Matthöfer, the federal Minister of Science and Technology, claims that there are no essential differences between the risks involved in the production of nuclear energy and those contained in other, non-nuclear technologies.

He and the Government are adamant that West Germany must have nuclear energy, and that West Germany must retain the right to export its nuclear plant and technology to less developed countries.

For this last reason Bonn has stood firm against American opposition to the agreement under which West Germany has undertaken to supply eight nuclear power stations and, indeed, the entire nuclear fuel cycle, to Brazil. West Germany has exported, or is exporting, other reactors to Argentina, Iran, Luxembourg, the Netherlands, Austria, Switzerland and Spain.

Throughout the world, China excepted, there were 168 nuclear power stations in operation at the middle of 1976. 195 were being built and 152 were on order. The United States is the biggest exporter of reactors, followed by West Germany, France and Canada.

The Government points out that the highly specialised nuclear industry depends on being constantly operational. A long period of inactivity would have serious consequences not only for the 25,000 people already employed in the industry, but for the many thousands working in ancillary branches. It was economic and politically imperative, the Government says, that the nuclear energy industry should have sufficient orders to enable it to keep pace with the latest technological developments and to ensure that West Germany remained a res-

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

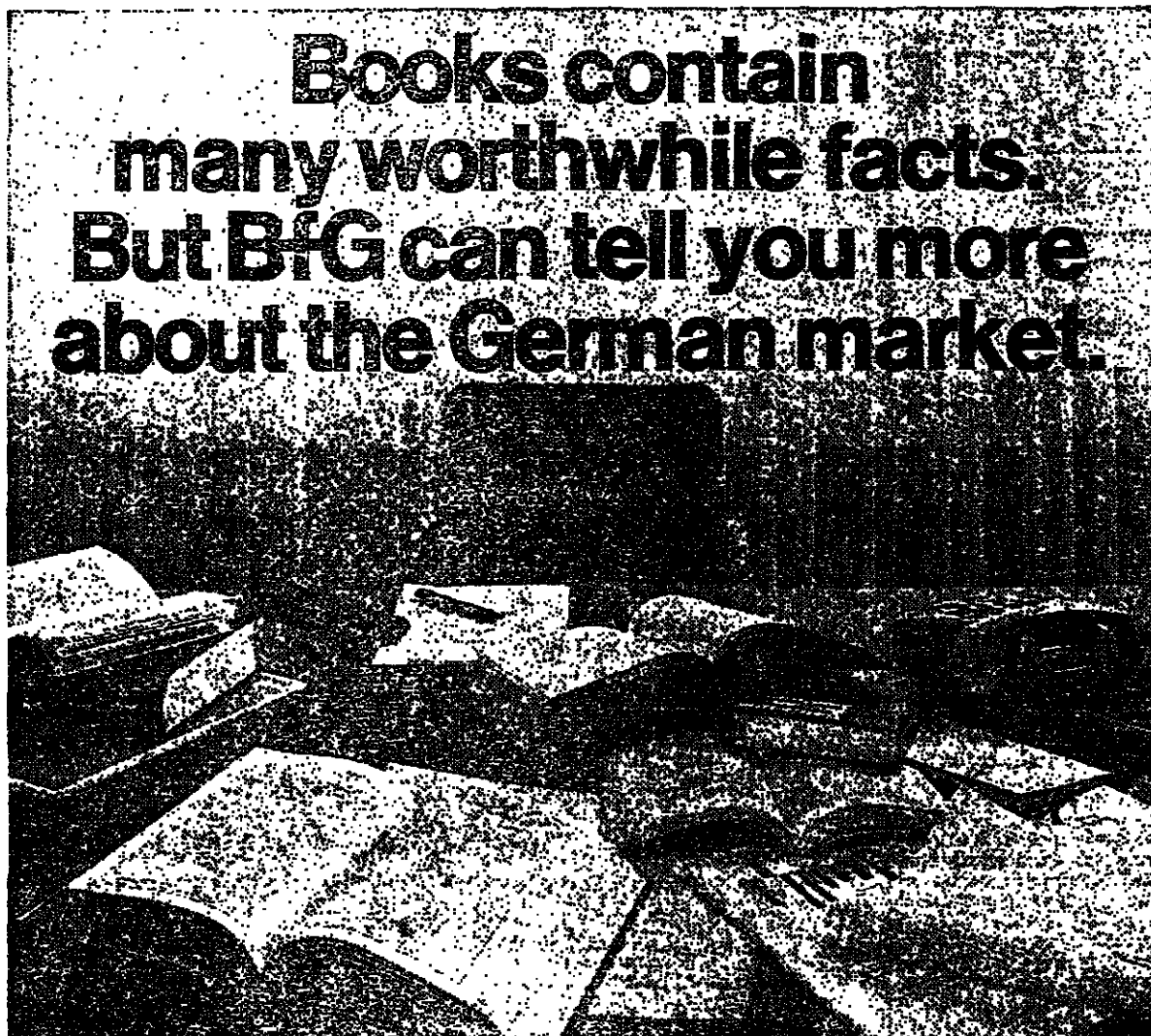
thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a

thousands of jobs a



### Ask us!

As a major German bank, with over 240 branches, BfG has the expertise and offers the finest service in all aspects of international trade and finance.

With our offices and participations in London, Luxembourg, New York, Amsterdam, Basle, Tel Aviv, Vienna, and São Paulo, BfG is at your service for loans, deposits, foreign exchange, and money market transactions—the whole range of international banking.

Count on BfG.

Head-Office:  
BfG Bank für Gemeinwirtschaft  
Am Theaterplatz 2  
D-6000 Frankfurt/M-1, Tel. (0611) 71211

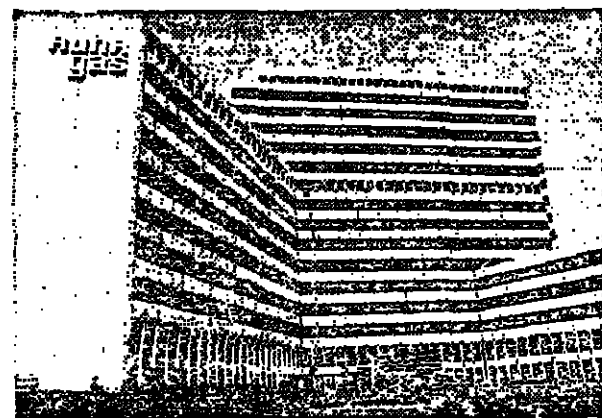
London Branch:  
83, Cannon Street, London EC4N 8HE  
Telephone (01) 248-6731, Telex 887628

BfG Luxembourg S.A.  
14, rue des Bains, Luxembourg

New York Branch:  
400 Park Avenue, New York, N.Y. 10022

**BfG** Bank für Gemeinwirtschaft

# Ruhrgas in the International Energy Market



Ruhrgas supplies natural gas to an extended market in the Federal Republic of Germany. We do this through our widely ramified pipeline system.

Ruhrgas concluded several important natural gas import agreements and is involved in other current import projects for natural gas.

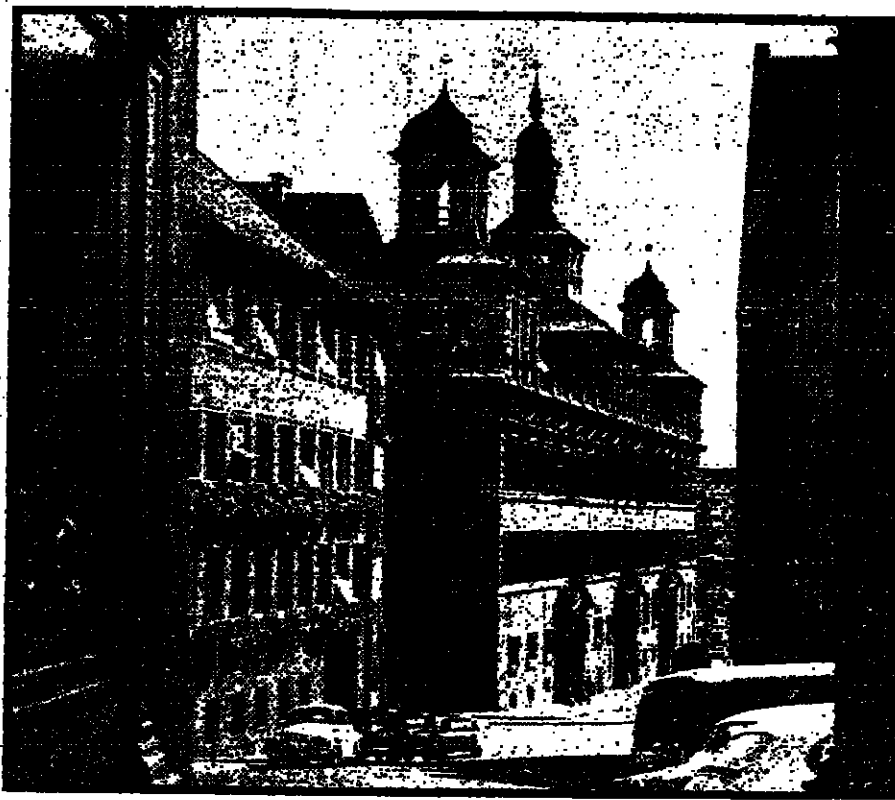
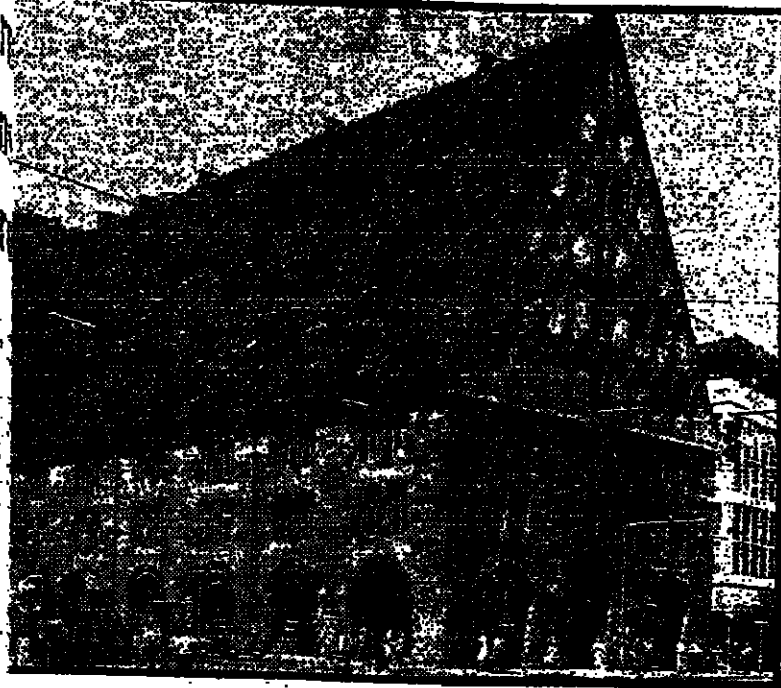
Ruhrgas is a recognized partner in the international natural gas business.

RUHRGAS AKTIENGESELLSCHAFT-ESSEN

**We take Care of Ruhr  
Natural Gas**







war rebuilding of Nuremberg, now almost complete, is one of Europe's most outstanding conservation programmes. Three well-known buildings, shown before and after restoration, Mauthalle, a former granary transformed into shops and a restaurant, the old town hall (centre) and the Holy Ghost Hospital (right).

## New quality of life built on city's ruins

by Weston

In 1945, the old of Nuremberg if the city with streets, half-houses and as 80 per cent a massive bomb-destroyed years new flowering of that claims divide as the fire engine, the the terrestrial

Trade links case-Dresden, is and Poland. out off by it presence, the seemed. Under the way 12 million of stone and deposited out- and are now slopes.

Recent times has able to assess construction has new quality of life uberg. In spite pressures both basic necessities promise for the economic gain, given immense ways in which the could come to modern living.

was narrowed ideas: to build spirit of the old narrow streets; a original char-build high-rise Frankfurt; or acceptable path two.

plan would use of the nar- take account affic conditions, rity to restoring vance buildings castle, the walls s and would try medieval flavour was left.

opted for total, while a group pressed for re all else. Con- lated in the adop- last choice, and which began in almost complete, 187,000m.

struction plan to be one of the stul pieces of work in perhaps because sedation period, is been greatly outside. Ger- Andreas Ursch- Lord Mayor of for the past 20 resided over this it is the city's (chief architect), eter Görl, who, control of the -pretation only was associated pilled execution before that.

says that retain- city's medieval spends on limit- tific to certain tertain areas. A ng roads speeds with the German, vation, and the of the Rhine- canal, which



The Kaiserstrasse, completed this year, has been rebuilt as a pedestrian area.

will connect the North Sea and the Black Sea in the 1980s is expected to relieve Nuremberg, through which it passes, of much commercial traffic.

This does not mean that the old city is to become a museum. On the contrary it has become a communications centre with 3,000 shops, administration, housing and leisure activities.

In 1967 work was begun on an underground railway and the first line, from the new town of Langwasser on the outskirts, has reached the old walls. As the line begins to operate under the old city, other public transport will be phased out and pedestrian ways will continue to extend their long fingers from north to south and east to west on a scale that is already the envy of many other European cities.

Peasantry efforts have been made to slot pockets of greenery among the red sandstone walls, which it enhances. Many of the planning areas are alongside the river Pegnitz, which bisects the old city into northern and southern sections.

Ultimately a 30km continuous river walk will extend right through the city. Some houses have been removed to make way for this route, which in places runs under newly constructed colonnades.

Although many of the narrow lanes have vanished, newly constructed streets follow the lines of the originals as far as possible. The end of Dr Urschlechner's office in the town hall was sliced off to widen the lane beyond.

Herr Görl believes it is wrong to adopt a restoration programme that incorporates all the original faults and the changes that have taken place over the years. He prefers to interpret the original architecture for present-day use.

Mistakes are acknowledged. An initial tendency to over-simplify reconstruc-

ted buildings has resulted in monotonous rows of windows and rooflines that are too long and unbroken in spite of their traditional Franconian pitch.

The unfortunate construction of a faceless warehouse in a shopping area resulted in municipal caution when plans for another were presented recently. This time the applicants were told they could have their warehouse provided it was built inside a block of old shops which, with their accommodation above, must be restored in the same operation.

The warehouse would not then be visible to the general public, since no building in the old city may be higher than seven storeys.

The planners' sense of space and scale has become more refined. The main market place still has a medieval flavour even though only one old building, a church, has survived. The medieval character of narrow lanes has given way to twisting paths, steps, changes of level and subtle variations in paving, cobbles and other surfaces.

The rebuilding of the old Kaiserstrasse as a pedestrian precinct completed this year, is a source of great pride. This wide gently sloping and curving avenue, lined with expensive shops, is now the most sought after residential area. Young and mature trees, variations in lighting fixtures, restrained shop signs and an unusually high standard of design are complementary aspects of this development.

The castle stands at the highest point, against the northern wall, and the area below it has been singled out for special treatment with an accent on culture. Studios for artists and housing for students are intended to complement the antique dealers in the streets close to the house once occupied by Dürer, whose prints were sometimes the only surviving documentation on buildings destroyed in the war.

Near by a half-timbered house in the Krämergasse has been beautifully restored by the Friends of Nuremberg, an effective pressure group formed to combat some of the more glaring errors in the early phases of the conservation programme.

One of its self-imposed tasks is to alert the attention of owners of old houses to the presence of half-timbering behind their plastered façades. A number have been uncovered as a result.

An essential part of the conservation programme is to find new uses for unwanted buildings. The medieval Holy Ghost Hospital, straddling the river, and parts of the old wall have been turned into old peoples' homes.

A large brewery is now a youth hostel and another became a customs house before ending up as shops and a restaurant. Some of the city's fine collection of covered serve a variety of cultural purposes; one in a shopping precinct makes a handy police station.

The sense of historical perspective which the administration has shown so brilliantly in its treatment of the old city contrasts with their total neglect of an area to the south-east also rich in historical associations.

A vast tract of land was set aside in 1933 for the benefit of the Nazi Party whose rallies were to be held there "for all time".

The plans and the buildings that survive are of Roman grandeur. Motor-racing now besets the Zeppelinfeld and footballers ignore the 350 metre tribune where Hitler once harangued his followers.

One day perhaps the city will put aside its dramatic past and use the site as a Nazi museum and even an evocative site for son et lumière reproducing the voice of the Führer himself — an idea which present generations would find grossly distasteful.



## A strong force in international banking - and still growing.

WestLB records another successful year in 1976, international growth continues to gain momentum.

Consistent with its customer oriented, long-term concept, WestLB further extended its international base and substantially strengthened its market position during 1976.

A full-service branch was established in Tokyo complementing successful operations in London, New York and Luxembourg.

Representative offices were opened in Rio de Janeiro and Hong Kong — both financial centers in rapidly expanding market areas.

In syndicated Eurobond WestLB was able to enhance its established position. It managed and co-managed 63 loans with a total of DM 15.8 billion or US \$ 6.7 billion.

At the same time, the Bank lived up to its reputation as a leading issuing house in the Eurobond market. During 1976, WestLB managed or co-managed an impressive 91 DM-issues out of a total of 62 floated. In addition, it was in the management of six private placements out of 26. In other Eurocurrency issues the Bank was in 54 management groups and participated as underwriter in a total of 163 issues.

International commercial banking activities increased substantially in tune with an upturn in foreign trade by German customers. Needs for currency hedging by exporters and importers stimulated the Bank's foreign exchange transactions.

Financial highlights of 1976 were the steady growth reflected in the consolidated Balance Sheet Total, up 7.4% to DM 72.9 billion and the increase in the Total Group Business Volume which reached 101.6 billion.

The Bank's capital funds were raised by DM 180 million up to DM 1.9 billion. The year's surplus was DM 296 million before tax, and DM 133 million after tax.

Main domestic developments were a 21.4% increase in short-term (up to 4 years) customer deposits and an impressive rise in export credits of 56% as a result of the Bank's ability — due to favorable interest trends — to lend long-term at fixed rates for large projects abroad.

There was only limited growth in short and medium-term industrial credits due to the high liquidity of corporate customers. Long-term lending, however, was up slightly by 7%.

The Bank raised DM 4.5 billion through the issue of its own bonds and DM 1.1 billion through CDs, thus documenting its excellent and growing funding base, both domestically and abroad.

The Bank's major participations achieved good results and broadened the service facilities of WestLB even further. WestLB International S.A. Luxembourg, enjoyed an excellent year with a 51% growth in the Balance Sheet Total which now stands at Lfrs 75.8 billion. The shareholding in Banque Franco-Allemande S.A., Paris, was increased. This bank concentrates its activities on serving WestLB's customers in France.

Banco da Bahia Investimentos S.A. in Brazil offers customers access to local currency while Asian International Acceptances & Capital Ltd. (ASIAL) in Hong Kong extends WestLB's service facilities in the South East Asian market.

WestLB is a founding member in Ocean Group and in Libra Bank.

1977 has brought a further increase in demand for WestLB's high quality financial services, both at home and abroad.

For a copy of the 1976 Annual Report please write to:

Westdeutsche Landesbank Girozentrale  
Düsseldorf Münster  
Friedrichstraße 58, 4000 Düsseldorf 1

## WestLB

Westdeutsche Landesbank Girozentrale  
a growing force in international banking

Düsseldorf, P.O. Box 1228

London Branch: 21, Austin Friars, London EC2N 2HB, Telephone 01-6386141, Telex 887984



## Organization of the Sparkassen, Landesbanken/Girozentralen in the Federal Republic of Germany



### Public Savings Banks

The German savings banks (Sparkassen) are legally and economically independent credit institutions. They are communal savings banks operated under public law. The business of a savings bank is directed by its managing board. Their tasks and activities are laid down in the articles, which allow the savings banks to do all usual banking business for their customers. Transactions for their own account are subject to some limitations to secure the deposits, e.g. savings banks are not allowed to acquire securities out of their own funds.

The savings banks offer all services of a modern banking institution. Their services are available to every private individual, every business enterprise and every local authority. The following are the most important forms of business transacted: the acceptance of all types of deposits; credit business of all kinds; encouragement of the acquisition of personal property; settlement of cashless payment transactions and all other types of banking services, e.g. transfers to payees in Germany and abroad; collection of debts, bills and receipts; execution of cheque transactions and issue of cheque cards; purchase and sale of foreign currency and travellers' payment media caring for the need of customers in the field of foreign trade transactions.

At the end of 1976 there existed in Western Germany 650 savings banks head offices with more than 18,000 branches.

### Savings Banks Associations

The savings banks of each federal state are united in regional Savings Banks Associations. The tasks of the regional Savings Banks Associations are, among other things, to represent the common interests of the savings banks; to offer information and advice to the members of the Associations in all matters of savings banking; to train staff members of the savings banks and to further their professional education; to examine the handling of business and the balance sheets of the member savings banks. At the head of the regional Savings Banks Associations is the Deutsche Sparkassen- und Giroverband in Bonn (German Savings Banks Association). It is the centralised representative of savings banks interests and corresponds to the savings banks associations on the regional level. It is the spokesman of the savings bank system in the public sphere and also to the Federal Government and parliament. Through its board and committees it influences the co-ordination of the savings banks and Landesbanken/Girozentralen, which are also its members.

### Landesbanken and Girozentralen

The 12 Landesbanken and Girozentralen in the Federal Republic of Germany are operating under public law, like the savings banks. The business is directed by a managing board and the general management is supervised by the board of administration.

The Landesbanken and Girozentralen are the central banks of the savings banks. They act as clearing houses for the savings banks' national cashless payments. They hold the liquid reserves of the savings banks within their area of activity and effect the regional balancing of funds among the savings banks. Moreover, the Landesbanken and Girozentralen transact all customary banking business, e.g. granting short, medium and long-term loans to industry, commerce, trade and public authorities; in many cases they provide loans jointly with the local savings banks.

The Landesbanken and Girozentralen are entitled to make issues. They issue mortgage and municipal bonds. In addition to security and stock exchange dealings the services provided by the Landesbanken and Girozentralen include

foreign business in all its fields. To an increasing extent the Landesbanken and Girozentralen participate in international money and capital transactions, and, in particular, in the business of international financing.

The Landesbanken and Girozentralen assist the savings banks in their foreign business, for which purpose the maintaining of relations with foreign banks is of particular importance. On the other hand, the extensive network of branches of the German savings banks organization is utilized by foreign banks through the Landesbanken and Girozentralen.

The standard DM travellers' cheques of the German savings banks organization issued by the Landesbanken and Girozentralen and the savings banks show as drawee, Deutsche Girozentralen-Deutsche Kommunalbank, Berlin and Frankfurt am Main.

### Building Societies

Along with the savings banks and the Landesbanken/Girozentralen there is a third group constituted by the 13 public building societies. These are institutions specialized in housing finance. Contractual savers with these building societies form their own capital which benefits in Germany from State premiums or tax relief. The building societies grant loans to their customers at favourable rates of interest with which to finance the building or purchase of their own home and land.

### Deposits and basic Capital Resources

In the Federal Republic there is a well-balanced structure of private commercial banks, co-operative banks and credit institutions operating under public law, with special and general functions. The biggest group among the credit institutions operating under public law is that of the savings banks (Sparkassen) and of the Landesbanken/Girozentralen. Every single deposit in these institutions is fully backed by a public guarantee. The guarantor for the savings banks is the respective local administration. The deposits of the Landesbanken/Girozentralen are guaranteed by their owners, who are usually the executive of the respective Lands of the Federal Republic and the respective savings banks.

The sources upon which the savings banks draw to set up their own capital is their net profit, after deduction of tax. The Landesbanken and Girozentralen draw their basic capital resources from the allocation of their profits to reserves and from the allocation of the guarantors, i.e. of the respective State Governments and of the regional Savings Banks Associations in those Lands of the Federal Republic. While the private banks are able to set up their own capital in different ways (issuing of new shares, participations) the savings banks are prohibited by law from doing so. The basic capital resources of the Landesbanken/Girozentralen and of the savings banks are modest in comparison with that of the private banks.

But this is not detrimental to their business transactions because the guarantee provided by the cities, communities and states have a net worth function which cover the liabilities of the Landesbanken/Girozentralen and savings banks.

DEUTSCHER  
SPARKASSEN- UND GIROVERBAND  
4-18, Simrockstrasse  
D-5300 BONN/GERMANY

## Gradually the green acres disappear

by Hugh Clayton

Similarities between the economies of West Germany and the United Kingdom encourage the belief that their agricultural structures resemble each other. The countries have high populations in terms of numbers and density. In the EEC food balance they are the most important importers of food and less significant as exporters.

Farming in each country faces severe pressure from industrial development and urban sprawl and some of the best land in each is sandwiched uncomfortably in green pockets and wedges covered with concrete. One of the most serious features of land loss in both countries is the high proportion of acres best suited for farming which are developed each year for other uses.

Superficial appearances are deceptive, however, and the farming structures of the two countries are quite dissimilar. The United Kingdom is always assumed to be an extreme example of overpopulation, but the proportion of its surface which is farmed is much higher than that of the Federal Republic.

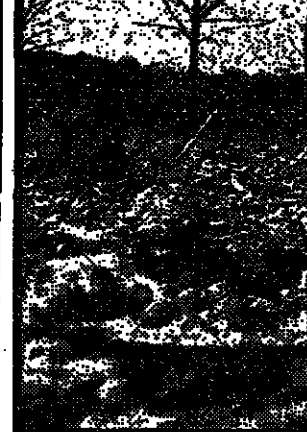
Little more than half of West Germany is farmed, compared with more than three quarters of the United Kingdom, and a quarter of it is down to forest. Partition of the east after the Second World War lost the Federal Republic large acreages of potatoes, sugarbeet and cereals. That change in national agricultural structure, out of proportion to the change in population, helped to determine the rationalization plans of governments in Bonn.

In the past 25 years the farming population of West Germany has been cut by half and yields have risen sharply as they have in neighbouring countries. The Federal Republic is now the leading producer of pigs and potatoes in the EEC. It produces more potatoes than the six other countries and Italy put together and is now almost self-sufficient in them and in sugar.

Yet the country has one of the most highly fragmented farming structures in the EEC. Certainly a lower proportion of the people work on the land in West Germany than in France, the country which, at least in British eyes, is the stronghold of the fiercely independent family farmer with a minute holding.

A third of EEC farms of less than 10 hectares (27 acres) are in West Germany, however. That is the highest proportion of any member state except Italy. Less than a fifth of all farmland in the Federal Republic is on holdings of more than 50 hectares (125 acres), compared with two fifths in France and more than three quarters in Britain.

It is often not appreciated in Britain that despite the size, power and success of German manufacturing industry, its agriculture is the source of a family affair, that of the United Kingdom. Successive green plans have brought growing order to a patchwork of small German holdings which are often broken into scattered fields.



A third of EEC farms of less than 27 acres are in West Germany. Little more than half the country farmed and a quarter is down to forest.

on the land are farmers themselves or members of their families.

Many German farms are smallholdings run by families of which one or more members are also industrial wage-earners. The Government recognizes, however, that many who work the land know no other life and have grown much more capital-intensive in the past 25 years and yields have been raised with the help of genetic research and greater technical efficiency. Especially high cereal yields achieved in the past three years have set an example to the rest of Europe.

The output of the national pig herd has doubled since the early 1950s while the labour force on the land has fallen steadily. The Government has recognized the danger to the social fabric of an upheaval in the rural community. Its rationalization programmes have always included careful provision to provide alternative employment to those who leave the land.

There is another important way in which German agriculture is changing which holds a lesson for Britain. It is becoming much more export-conscious, partly as a result of the entry of other EEC farmers in selling to the consumers of the Federal Republic.

In 1970 the Central Marketing Company for German Farming (CMA) was founded to promote sales of German agricultural products to the home and abroad. It is financed by a levy taken at every link in the food distribution chain. The money is collected by local tax offices and administered by a committee of politicians with trade and consumer representatives.

CMA is therefore much more than a farming co-operative and it is much more than a marketing agency. It is one of the important forces in German agriculture and is used as a model in Britain those who want to do something from the age of the British Agricultural Export Council: people want a new action which promotes a farm produce at home abroad.

Ten years ago almost only German farm produce in Britain was seen in British shops. The small quantities of each which came to specialist shops. Now German butter and foods are available in thousands of British markets. West German beer, one of the fastest-growing based on the out domestic agriculture, proving a successful of the British market. Italy remains the post-foreign custom.

West German farmer enormous purchases meat and livestock account for more than half of its agricultural exports from the Federal Republic. Since Britain and mark joined the E 1973 they have become important buyers of German food. Sales of country last year were more than those to Austria or the United Kingdom. Holland and France after Italy in the league table with British farm produce ahead of them. Even though it brings German food in value last year than in 1976.

The author is Agriculture Correspondent, The

# BERLIN-ORANGERIE 1030 A.M.



## "Tendencies of the Twenties"

From 14th August to 16th October 1977 Berlin presents a cultural event of dimensions and quality which have not been seen there for decades: The 15th European Art Exhibition, under the auspices of the Council of Europe and organized by the Government of the Federal Republic of Germany and the Berlin Senate, "Tendencies of the Twenties." All of Berlin's cultural institutes, museums, theatres, universities, and the Berlin Festival itself, will combine to give a comprehensive picture of this extraordinary epoch, the intellec-

tual and political effects of which reach into our time, and in which Berlin occupied a central place.

This Berlin event is also an international event and the Press and Information Office of Land Berlin, Rathaus Schöneberg, D1000 Berlin 62, will be pleased to send you information about the Exhibition programme, the ballets, operas, concerts and plays.

visit Berlin

## Healthy two years for 'money supermarkets'

by Peter Norman

If the West German economy had performed as well over the past two and a half years as the country's main financial markets and institutions there would be little cause for despondency today in Frankfurt or Bonn.

The German Government's plan for overcoming recession and consolidating economic recovery has depended to a large extent on deficit spending. Although the strategy may not have achieved its principal aim of restoring full employment, the authorities, in cooperation with the banking system, have proved capable of financing public sector borrowings of an unprecedented size. Moreover, interest rates in Germany have been brought down to levels unknown since the late 1960s. The record public sector deficit of more than DM60,000m in 1975 and last year's large DM45,000m deficit were financed without difficulty. Although the public sector borrowing requirement remains high, the federal railways were able to float a bond issue with a nominal interest rate of only 6.5 per cent at the end of April this year. This return to the interest rate levels of the late 1960s would have been regarded as inconceivable only 12 months ago. But, more remarkable, the bond issue was fixed to run for a period of 12 years.

Bonds of this maturity were last issued at the beginning of 1973 and their reappearance on the capital market is an indication of how far Germany's success in bringing inflation down to an annual rate of under 4 per cent has been honoured by a revival of investor confidence. German banks are

"money supermarkets" offering every conceivable form of financial service. They are also significant direct investors in German corporations. These facts have in the past been used to support the contention that the banks exercise too much power over the economy. One of the incidental effects of the recession has been that public debate on the power of the banks has almost ceased.

At a time of high unemployment a strong bank system can be a positive advantage. Since the onset of the recession, the banks have aided over an unpaid number of fundamentally sound German companies through periods of temporary difficulty. It is perhaps significant that, in the past 30 months, there have been fewer spectacular bankruptcies than big corporate rescues where the banks have picked up the bill.

Last year's takeover of Neckermann, the ailing West German mail order and department store group, by the branch leader, Karstadt, would have been impossible if Neckermann's banks had not been prepared to write off claims totalling DM180m against the company. It is also doubtful whether Karstadt would have taken on the task had not the Deutsche Bank and the Commerzbank each held more than a quarter of the company's capital. The takeover saved 20,000 jobs in the Neckermann group and an estimated 10,000 among its suppliers.

At present West German finances appear to be in an extremely healthy condition. Only in Switzerland are interest rates lower, but in contrast to Switzerland, German banking has not been reeled by scandal over the

past few months. The fundamental harmony that exists in monetary policy between the Government in Bonn, the Federal Bank in Frankfurt and the country's banks—also the absence of any prospect of economic boom—suggests that there will be no foreseeable change.

The Germans continued to be prodigious savers. Although the savings rate declined slightly from the record 16 per cent of 1975, West Germany's private households still managed to tuck away 14.5 per cent of their disposable income in various forms of saving last year, amounting to a huge capital surplus of DM106,000m.

About a quarter of this amount was channelled into housing-related savings. But most of the rest went either on direct purchases of fixed interest securities, and therefore mainly towards financing the public sector deficits, or through bank savings towards meeting the financial requirements of the state, industry and commerce.

The fall in interest rates also persuaded at least a part of the German public to borrow money. According to the Federal Bank, borrowings by private individuals doubled last year to about DM19,000m.

This unexpected demand for credit pleased the banks, as it helped to offset the lack of demand from their traditional industrial clientele. The main beneficiary was the car industry, as spending patterns proved once again that the automobile is by far the favourite of the Germans.

The banks interpreted the sudden upsurge in demand for consumer credit as one more indication of the universal character. Unlike banks in Anglo-Saxon countries, banks in Germany

carry out all forms of under one roof, simultaneously the 1 of investment bar those of simple taking institutions. man wishing to buy stocks and shares automatically through a bank, which is also its own right on the ties markets.

There has also been strengthening of German banking since the disturbing 1974 when the Hers in Cologne collapsed a short time case the soundness of the country's banking system. Customer confidence quickly restored an improved system of protection introduced by the Hermsdorf. Although one or two banks have gone to the wall in the past two years, depositors have a single mark.

In turn, bankers have been improved years of healthy growth and high profits. Second World War and, although early last year, they were more than satisfactory.

However, the German's strong growth last year, to a real genuine recovery has left a mark. For the past few years, the German banks have been in a position to cooperate with the would imply an willingness on the German business to be a record bonds.

Similarly, the short markets have been disappointing. Less expected to be a victim for equities. Instead, out to be a record bonds.



gradually the  
green  
disappear

هكمان النحل

## Treaties stalled over status of West Berlin

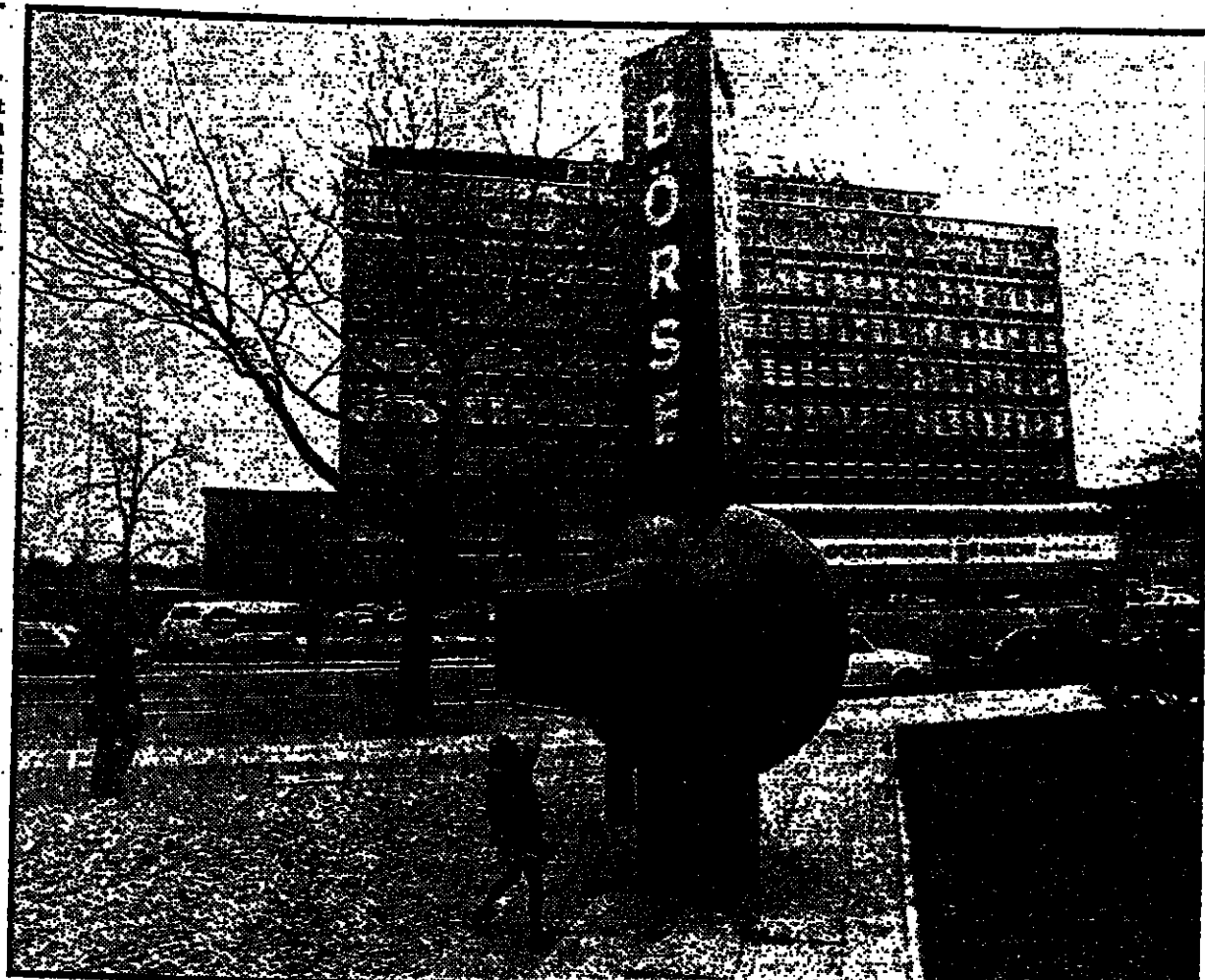
an der Vat

between West  
and West Berlin  
year once again  
be a principal  
reason between  
West because of  
a interpretation  
on the agree-  
L  
wise complete  
operation agree-  
don Bonn and  
stalled because  
do not want  
to West Ber-  
as West Ger-

with Moscow's  
East Germans  
busy abolishing  
the distinctions  
t. Berlin and the  
East Germany  
emphasize the  
the walled  
West Berlin 95  
the border.  
the same care-  
ness campaign,  
ents by eastern  
s have vocifer-  
ed the claim  
x-power agree-  
artin of 1971  
to West Berlin  
ates between  
member states  
ized that West  
t part of West  
d cannot be

uth state

f the  
public



This television screen is provided by the Stock Exchange in the heart of West Berlin's banking area for passers-by to check their share prices.

in is de jure  
ly under the  
of the military  
of the United  
and France.  
any rate, it is  
economically  
state of the  
file.  
eastern moves  
ing war of  
divided Berlin  
h an unexpect-  
robustly  
in the West  
s of the  
s and France.  
Prime Minister  
German Chan-  
a joint declara-  
9 rejecting any  
tempt to alter  
atus of Berlin  
ghted Herr  
be, the newly

elector governing Burgomaster of West Berlin. For this man of 39 who has just taken over one of the most frustrating and delicate political posts in the world, the joint declaration was unequivocal enough, with its sturdy language, to outbid Soviet intransigence. It thus marked a new departure.

"The important change is that the West has acted and the East is having to react. The East Germans have already responded, but so far not the Russians. This is very good for West Berlin," he said.

Allied sources in the city expected a Soviet reaction to the declaration soon. The very fact that the Russians were taking so long over it was a sign that it had taken them aback, they believed.

The ensuing altercation

towards isolating West Berlin as the conclusion of a 30-year campaign. The decisive move was the opening one, when currency reform was introduced in 1948, not only in the three Western zones of Germany which later became the Federal Republic, but also in the Western sectors of Berlin.

The most spectacular and chilling development, surpassing in drama even the blockade which followed currency reform, was the construction of the Berlin wall in 1961.

The final moves to isolate West Berlin came as both the United States and West Germany elected new governments. Herr Stobbe does not regard this as a coincidence. Nor does he believe the new position makes

any practical difference to an East-West deadlock that has existed for a generation. While the presence of the three Western allies, each with a token infantry brigade group, remains the political guarantee for West Berlin's survival, it is the link with West Germany which ensures the rounded city its daily bread.

Seen in isolation, the cost to the federation of supporting West Berlin is high. Just under half the city's annual budget is made up of federal funds, which means that Bonn's annual subsidy is now more than DM7,000m (£1,750m) a year.

So far, this is quite normal. The federal budget accounts for just under half of all public expenditure in West Germany as a whole, the rest coming from the states and the municipalities.

But the special position of West Berlin requires further direct payments to the city by Bonn of another DM3,500m for such purposes as financing the presence of the three Western allies subsidizing social security and supporting war invalids.

Not unimpressive  
return  
on investment

This means that West Germany, in round figures, invests about 1 per cent of its gross national product in West Berlin each year, and that the city puts into its own coffers, West Germany must put up between DM1.40 and DM1.50.

The return on this investment is not unimpressive, however, as West Berlin contributes about 3.8 per cent of annual gnp, which at least matches the average performance of West Germany's 10 states.

In addition to its financial engagement, West Germany also seeks to develop all manner of political, cultural and social links with West Berlin, as the four-power agreement permits it to do. The private sector is encouraged to act likewise.

Bonn and West Berlin also offer considerable incentives, such as tax advantages and settlement grants, to encourage both companies and private individuals to move to West Berlin. The world recession has slowed but by no means halted the response.

Apart from the office of the federal Government's plenipotentiary in West Berlin, the links between Bonn and the beleaguered city range from the new federal environment protection office to the Max-Planck Institute for molecular genetics, and 28,000 federal civil servants are stationed in West Berlin.

Despite the four-power agreement, the Russians and their allies dislike the expansion of links between Bonn and West Berlin and protest frequently. As a result, the plan to base a German national foundation in the city has been quietly shelved.

But, although the Bundestag may not meet in West Berlin, its committees can, and often do. The federal Government and the West German political parties do all they can to bring West Berlin as far as possible into the mainstream of federal life.

The link between West Germany and West Berlin is a very special relationship indeed, vulnerable but precious to all free Germans.

## Shareholder Renate Schulz: What are you doing with our billion?



Shareholder Renate Schulz: What are you doing with our billion?



### ADVERTISEMENT FOR A BANK WITH THE RIGHT ADDRESSES IN THE EUROMARKET

The bank DG BANK Deutsche Genossenschaftsbank with headquarters in Frankfurt am Main, the central bank and liquidity manager for ten regional banks and more than 5,000 local "Volksbanken" and "Raiffeisenbanken" with 19,500 offices throughout the Federal Republic. One of its addresses in the Euromarket: 22, Throgmorton Avenue, London. Here right in the heart of the City, the DG BANK is represented by LCB London & Continental Bankers Ltd., in which we are the major shareholder. In another

Euromarket center, Zurich, our address is BEG Bank Europäischer Genossenschaftsbanken, and in Luxembourg we are affiliated with BHF-BANK-DG International.

Beyond the Euromarket, the DG BANK serves the clients of its group through a branch in New York and a representative office for the East Asian, Southeast Asian, and Australasian regions in Hong Kong.

The DG BANK engages in all fields of international banking, from export and import finan-

cing to the management of loan syndicates, private placements, and bond issues. With consolidated total assets in excess of DM 35,000 million, we are one of West Germany's big banks. Our group's assets add up to more than DM 250,000 million — a lot of money in any currency.

DG BANK Deutsche Genossenschaftsbank, P.O. Box 2628, Tannentor 3, D-6000 Frankfurt am Main 1, West Germany.

**DG BANK**  
Deutsche Genossenschaftsbank

THE BROADLY BASED BANK



**“We soon reached agreement with the appropriate authorities. In doing so, we discovered in the Ministry of the Economy and Foreign Trade of the City of Bremen an authority that works with less red tape and more speed than almost any we have ever come across before.”**

Dr. rer. pol. Walter Schmidt,  
Spokesman of the Board of Management  
of the Kölsch-Fölzer Werke AG, Siegen,  
at the topping-out ceremony for their  
new branch works in Bremerhaven.

The opinion of a management spokesman who had spent years looking for the ideal site for his business. He found it in Bremerhaven. Kölsch-Fölzer required direct access to shipping waters, room for later expansion and a pool of highly-qualified technical labour. These and more are offered by Bremen and Bremerhaven.

Both are ideal sites for your enterprise. For main works and branch plants in heavy and light industry, for crafts, trade and administration offices. Bremen is the Federal "Land" where the ways are short, the decisions are quick and the opportunities are big.

**Bremen Bremerhaven**  
The right place for your business.

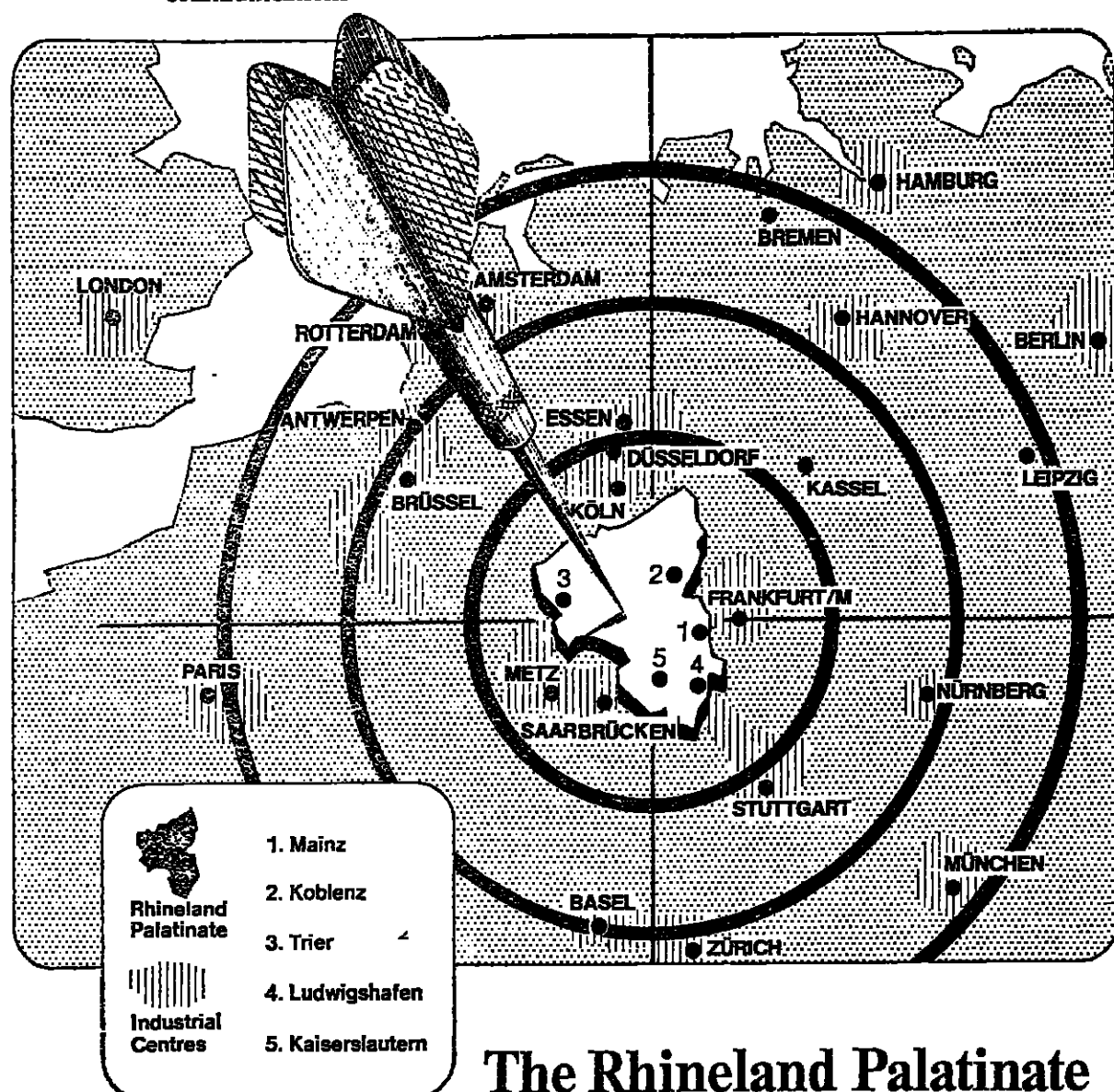
THE COLOURED BROCHURE tells you where and how in Bremen and Bremerhaven. Just ask for one — with this coupon.

Name: \_\_\_\_\_  
Company: \_\_\_\_\_  
Street/No.: \_\_\_\_\_  
Postcode/Town: \_\_\_\_\_  
Der Senator für Wirtschaft und Außenhandel der Freien Hansestadt Bremen, Bahnhofplatz 29 (Tivoli-Hochhaus), 2800 Bremen 1, Telefon 0421/3 61 25 54, Telex 02 44 804 Senat.d



## YOUR COMPANY HAS A FUTURE IN THE RHINELAND PALATINATE

ATTRACTIVE INDUSTRIAL SITES,  
owned by the local authority and most attractively priced. Factory sites  
tailored to meet required sizes. Location at the hub of a superb  
communications network into the Common Market.



### The Rhineland Palatinate hub of the Common Market

Full information about financing, available subsidies and all other necessary details  
can be obtained free and without obligation from:

Rheinland-Pfälzische Gesellschaft für Wirtschaftsförderung mbH,  
Schillerplatz 7, 6500 Mainz, Tel.: (06131) 27358

The world of decision-takers, wave-  
makers, opinion-shapers; leaders of  
thought in the universities, politics, industry,  
finance; committed observers of the social  
scene, writers, artists, the interested, and  
interesting: **DIE WELT** is the world to them.

690,000 people read this German quality  
newspaper for a daily insight into their  
particular world. If you're interested in their  
world, remember Die Welt's

## Gotterdamgoodreadership.

For more details, or a presentation,  
ring Kristian Wentzel on 01-493 9954.

Die Welt—a newspaper of the Axel Springer Publishing Group.

## Social services face a financial crisis

by Peter Norman

West Germany used to be justifiably proud of its social security system, which provides the citizen with security against ill health from cradle to grave.

Generous benefits ensure that unemployment no longer means individual financial catastrophe or social stigma. Most West Germans can look forward to a comfortable old age immune from the threat of inflation.

As the recession took hold, politicians would point to the absence of social unrest as proof of the value of Germany's social safety net.

But recently the Minister for Labour and Social Affairs put anxiety about the future of Germany's social security system at the top of a list of priorities besetting the nation's population.

The old age pension system and the health service are in a state of financial crisis. There are limits to affluence, even in West Germany.

Government attempts to tackle the crisis have brought protests by both "consumers" and "producers" in the past few months.

Before taking office for the second time last December, Chancellor Schmidt's Government was rocked by a wave of protest and forced to abandon plans to scrap a 10 per cent pension in-

crease due at the beginning of next month.

No sooner had the spectacle of pensioners protesting in the streets been forgotten, than the doctors, Germany's highest income group, struck in parts of North Germany against Government plans to halt a cost explosion in the health service.

Recession and demographic change have combined to undermine the financial base of the pension system. During this general election campaign last year the difficulties were sketched over. It later emerged that Germany's pension funds were threatened with a deficit of about DM80,000m by the end of this decade.

German pensions are generous, but expensive. Contributions are set at 18 per cent of an employee's gross earnings, the burden being shared equally with the employer.

In return, the pensioner has a very respectable income. For example, the average pension for a retired male manual worker in 1975 amounted to DM832 a month (or just under £200 at present exchange rates).

Pensions also rise, to give the retiree a share in the growth of the nation's wealth. Next month's increase of 10 per cent is based on the average of wage increases from 1973 to 1975.

This delayed action effect was built into the system deliberately to help curb inflation in times of recession. In recent years it has created problems as the

high-wage increases of the early 1970s have been translated into above average pension increases.

Greater burdens have been added by politicians, who resisted a better pensioners' health service.

Over the years the pension funds have had to take over paying pensioners' health service charges in full. In 1972, on the strength of forecasts of a DM197,000m pension fund surplus by 1985, a law was passed enabling people to retire on full pension from the age of 63 and the annual increase was brought forward by six months.

But even in that year, at the height of the 1970s boom, the crisis was building up. Between 1958 and 1972 the number of pensioners grew by 60 per cent while the number of contributors to the pension funds increased by only 16 per cent. By 1975 there were 52 pensioners for every 100 contributors compared with only 38 in 1964.

On top of this demographic change came the recession. The income of the pension funds fell as unemployment rose and large numbers of contributors returned home. The cost explosion in the health service added to the funds' burden.

The Government hopes to consolidate the pension system by deferring the increase due in 1978 until the end of that year, by temporarily using the average net increase in earnings as the yardstick for future pension

raises; by shifting the burden of insurance contributions for the unemployed on to the Federal Labour Office; and by reducing the pension fund payments to the health insurance bodies.

The programme could still be changed in Parliament. It is also based on the questionable assumption that employment will fall to less than 3 per cent by 1980.

But straightening out the pension funds looks easier than curbing the cost explosion in the health service.

More than 1,500 Krankenkassen in Germany collect between 12 and 14 per cent of the employee's gross income to pay for the health service. Like the pension funds the contributions are split equally between employee and employer. But while pension fund contributions have been fairly stable, the Krankenkassen, which are mutual insurance companies run on a non-profit-making basis, have almost doubled since 1960.

This rise in burdens has reflected a surge in health service costs. Last year Germany's overall health bill amounted to 14 per cent of national income—well over DM100,000m. Since 1960 payments by the Krankenkassen on doctors' bills, drugs and hospital expenses have risen to DM68,000m a year from DM39,000m.

The "producers" in the health service, primarily the doctors, drug companies and hospital administrators, may not form a unified block, but they are far more powerful

than the "consumers" patients and the 1,500 Krankenkassen—who have an interest in controlling costs.

It is probably no coincidence that in Germany doctors and dentists are higher-paid professions group (average 1976 DM220,000 before tax), drug prices are higher in other European countries than new hospitals have built at a cost of 1 DM600,000 a bed and because of an oversupply of hospital beds the average patient's stay (at night) greatly exceeds an average stay in a luxury hotel in the United States.

The Government's aim is to cut the costs rather than the services themselves through measures as trying to the rise in doctors' fees to the national average, breaking down costly segregation of patient and outpatient treatment and trying to persuade the German doctor to little more cost-conscious his prescription of drugs.

The health service, in pension system, mirrors more affluent age, which seemed that any expenditure matter how great, could be justified and financed.

Over the past few years the Government has had success in combating inflation. Curbing inflated claims imposed on the social services is much more difficult.

## Imaginative act of patronage favours the potter

by Geoffrey Weston

The town of Frechen, just outside Cologne, is known above all as the centre of the German stoneware industry in which the Cremer Group is dominant. The group employs about 4,500 people turning out all manner of products from ceramic bathroom equipment and tiles to electrical insulators and drainpipes, with a turnover of DM400m.

All this in itself would be unremarkable but for the private interests of the chairman, Dr Gottfried Cremer, and his fascination for all things made from clay, the basic raw material of his industry. In 1950 he began to collect the best work by German ceramic artists, or potters.

In Britain the most outstanding artist potters, in spite of the high standard of their work, receive little recognition, and their work is low-priced compared with sculpture or graphic work. In Germany competition among collectors of contemporary ceramics is extremely keen and prices reflect this difference.

By 1971 Dr Cremer had decided to share his collection with the public with the aim of promoting the work of ceramic artists and, in a wider sense, the cross-fertilization of ideas. To celebrate his sixty-fifth birthday his company opened a museum, called Keramon, beside one of the factories to house the Cremer collection.

The initial plan, simply to provide exhibition space, grew more ambitious after talks with the Cologne architect Herr Peter Neufert, who conceived a detached building of striking design shaped symbolically like a potter's wheel surmounted by a cone.

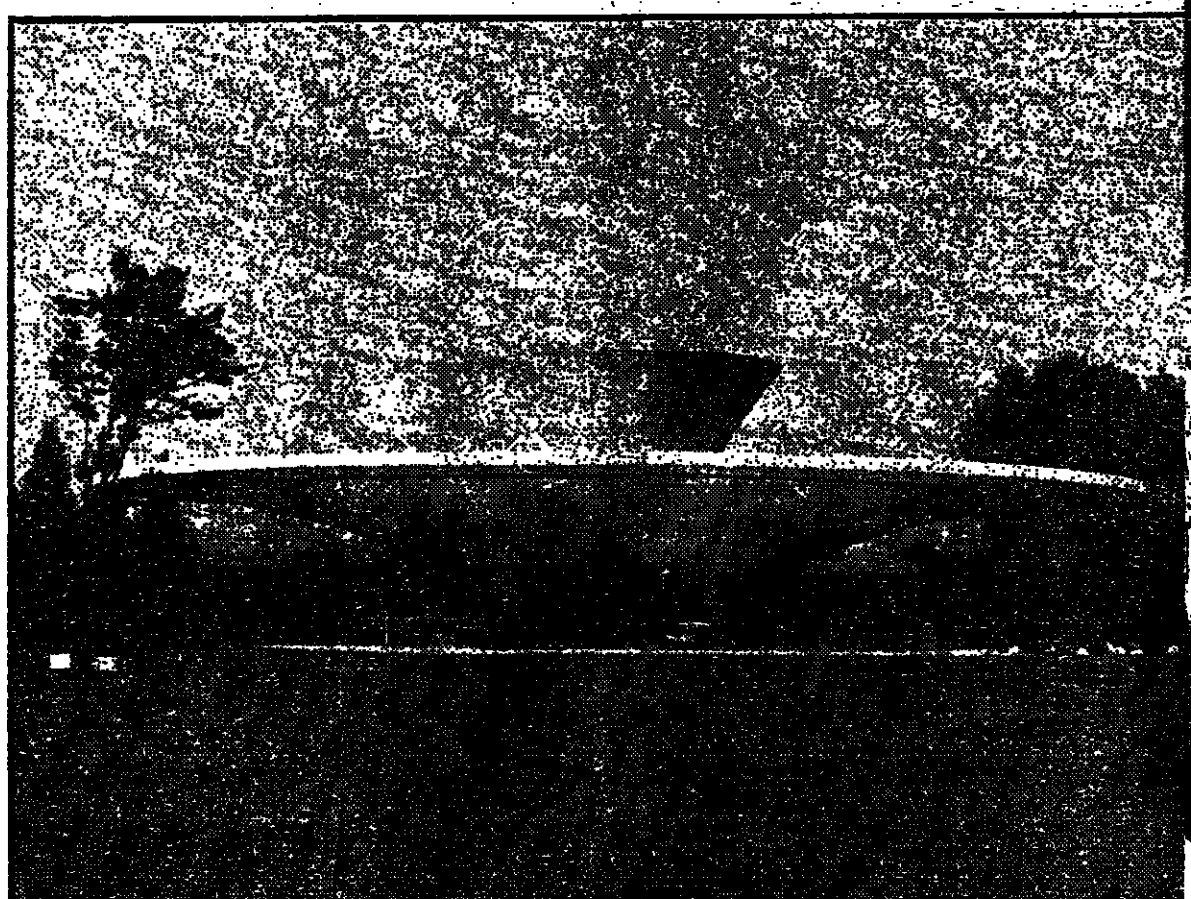
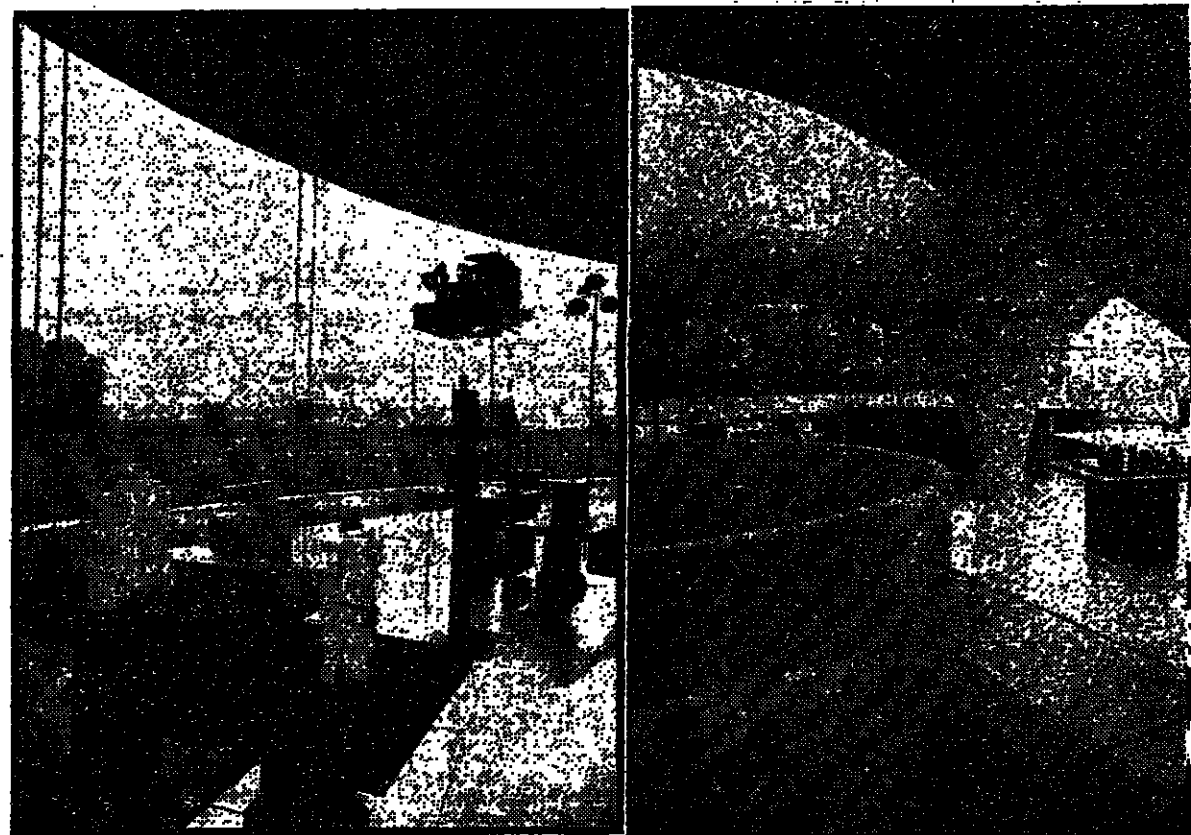
Built largely from reinforced concrete on two floors, one below ground, it has a thin flat roof supported on five legs which taper sharply in graceful curves. The rooftop pot encompasses a skylight, which is echoed in the circular hole in the floor admitting daylight to the basement.

The ground floor is almost entirely surrounded by a curtain glass wall and outside that a moat. White plastic spheres, which appear to float on the surface of the water, contain lights controlled by dimmer switches and the effect at night is dramatic.

The close relationship between the interior and exterior, and between the building and its contents is soon obvious, and the view from within of stockpiles of drainpipes outside the factory underlines the relationship of artist and industry.

The floors are covered in large white ceramic tiles, each two metres by 1.5 metres, made by a secret process. The same tiles in a rich red-brown are used to cover a decorative outer wall built at a tangent from one side of the building.

Apart from a few mobiles and wall plaques, the exhibits are housed in simple cabinets or kept on table tops supported on drainpipes. Only half of the 3,000 pieces are on show at any one time, and the quality of the work is high, although



Keramon, a museum in Frechen devoted to the work of ceramic artists; top: two views of the interior

buying on this scale inevitably leads to some errors of judgment.

In his enthusiasm Dr Cremer is said sometimes to offer to buy the whole of a favourite potter's kiln before he has had a chance to see the results of the firing.

Research and development for new uses and new types of ceramics for industrial use are mirrored by the artist's experiments with temperatures, clays and glazes, his unending search for the perfect form and his attempts to use the clay to the limit of its possibilities.

The Cremer collection is constantly being added to,

and twice a year a special exhibition of work for sale is held. Artists are invited to contribute their work and no commission is charged on sales. The museum itself is not intended to make a profit.

Catalogues are sold at or below cost price, as well as other publications produced by the museum, such as a directory and atlas of ceramic artists in West and East Germany, Switzerland and Austria.

By a stroke of fortune the acoustics in the building are extremely good for music, and concerts organized by the municipality are held there in the winter.

Cultural conferences and meetings also take place and has developed slowly it was at one of these in 1975 that Keramon's most ambitious project was formulated—an exhibition of European ceramics, representing the work of more than 70 artists from 19 countries, including nine from Britain.

The costs of shipping and insurance were borne by the organizers. Visitors normally total about 10,000 a year, although 12,000 attended the European exhibition during its three-month run.

In its new role as a centre for European ceramic artists, Keramon is almost certainly unique. Far from being a lifelong dream, it came into

being almost by chance relations exercise for the Cremer Group, but an attempt is made to preserve the name or claims of the artists, so on to the public.

It is as good an example of industrial patronage of the arts as can be found anywhere.

Frechen cannot compare with its large neighbour Cologne, for cultural life, but Keramon has its own unique cultural moment. Not surprisingly, made Dr Cremer an

mat  
gres  
t righ  
ening

ventional



## Lorries nose to tail despite motorway network

el Bailly

Ruhr, is that Germany, with a high more population than Britain produces twice as much in a year. That is why the car population, already nearly 18 million, is still rising fast.

Whatever the future may hold, Germans are continuing to buy more and more cars. Against this background, however, some serious transport problems exist, of which the greatest is that of the railways. In common with some other continental systems, German railways are still as it were, in the pre-Beeching stage, with common carrier obligations and tariff controls only recently abolished. Too much staff and equipment, and a deficit which last year reached the total of £2,500m on a turnover of £5,400m. This was too much even for an affluent country like Germany, and urgent measures are under way to try to bring the situation under control.

The railway problem has been gathering strength for some time despite a creditable growth in passenger traffic of about 4 per cent since 1960 and in freight traffic of about 7 per cent since 1960. The need for rationalization has become more and more evident over the past five years, and

government and public opinion were finally confronted with the scale of the problem with a shock report last year that more than half the system would have to go if the deficit was to be brought under control by 1985.

This is unlikely to happen, but the possibility has had the effect during the past year of concentrating the railway management and unions, the Government and the travelling public. A series of studies is being carried out in which three parties—railway management, railwaymen and Government—are examining in detail the changes that need to be made to bring about an efficient and still extensive, but more viable, railway system for the 1980s.

One thing has already become clear: that the necessary changes must be made through a reduction in manpower—still nearly 400,000—rather than in drastic reductions in the system. As a precondition of the studies the Government conceded that there would be no compulsory redundancy, but with the help of natural wastage and little recruitment it is hoped that both manpower and deficit can be reduced by about 20 per cent within five years.

Essential investment in already advanced in imaginative policies of integration and interchange. Another sector in which Germany has moved ahead is in the experimental development of magnetic suspension for high-speed surface transport. The effective operation of the technique has been amply demonstrated, but its commercial application in the light of future energy costs is still problematical.

Important moves are taking place in water transport, particularly in relation to the communist block. The Main Danube canal linking the Black Sea to the North Sea is scheduled for completion in 1980, with important implications for East-West Europe traffic in bulk goods. In deep-sea shipping, Germany is deeply concerned over initiatives by Russia and other eastern block shipping to move into Western trades by means of cut rates and expansionist policies.

Whichever form of transport one looks at, road or rail, land, sea, or air, it is evident that West Germany is destined to play more and more a key role in the future: geographically, economically and politically.

The author is Transport Correspondent, The Times.

## Weak pound makes shopping costly for British

Eadie

Increase of 7.3 per cent over 1975. The greatest number of overnight stays (670,000) were in the North Rhine-Westphalia, Rhineland-Palatinate and Hesse regions. This area is popular because it takes less time and costs less money to get there. The traveller arrives within a day and finds that both trains and steamers connect with the Rhine and Moselle valleys and that the payment of a small supplement secures tickets which are interchangeable. The Bachmann plan wine festivals run from the beginning of August until mid-October. Gaudy giant floats and the electing of "wine queens" add to the festivity.

There are seminars at the German wine academy and weekly courses in Trier, Rheingau, the Kaiserstuhl and the Markgräflerland.

Visitors wine and dine, visiting cellars and vineyards, and extend lectures and wine-tastings while cruising down the Rhine. The beauty of the Alps, with its lakes and fairy castles all linked by the "romantic road", makes Bavaria the next most popular venue for the British, who made 230,000 overnight stays in 1976. Music festivals, nature reserves and baroque buildings add to the attraction.

Baden-Württemberg, to which Queen Victoria made her winter visits, has always appealed to the British for its spas, Black Forest and excellent walks. Overnight stays here in 1976 amounted to 157,000.

Visitors from Britain made 171,000 overnight stays in Lower Saxony, West Berlin, Bremen, Schleswig-Holstein and Saarland. The popularity of Berlin is stimulated by the availability of reasonably priced charter flights.

The professional approach of the Germans to the conference business brought the country a further 70,000 visitors who stayed overnight.

Britain ranks third in the number of overnight stays in Germany, preceded by The Netherlands and the United States; and, of the 1,300,000 visitors from the United Kingdom, it is estimated that about 600,000 were tourists taking accommodation and another 300,000 were campers.

The low value of the pound has made shopping in Germany uneconomical to the British. In many cases one could buy German wine cheaper in England. This is probably the reason why, despite the increase in overnight stays, British expenditure dropped by 4 per cent to DM238m from the previous year, 1975, whereas the reverse trend is taken place in Britain, where German visitors have increased expenditure by 31 per cent to DM643m.

The AA and RAC recently published figures showing that one out of eight motorists going abroad went to Germany, which made it Britain's fourth most popular destination after France, Spain and Italy. Registered entries by British visitors in 1976 were 2,740,000 by road, 691,000 by air, 357,000 by rail, 95,000 by sea and 11,000 by inland waterway.

Motorists will be pleased to learn that heavy goods vehicles and lorries continue to be banned at weekends from well frequented motorways during the holiday season from July 25 to August 21.

Lufthansa German Airlines has introduced early-morning late-evening flights between London and Düsseldorf which now enable the executive to make a quick business call to this exhibition and conference centre and return the same day. The German Federal Railway is introducing a special party rate on some of its inter-city services from today until September 14 and the fare reductions will range from 35 per cent for groups of six to fourteen to 65 per cent for groups of 45 or more. Further information regarding these offers and others including the taking of a sleeping car at a flat rate are available from the German Federal Railway office in London.

In holiday regions suitable for cycling, including the Holstein lakes, Lüneburg Heath and through the Rhineland and the Black Forest to Bavaria, there are 200 railway stations where the passenger can hire a bicycle for £1 a day. Other tourists have to pay £1.75.

Excursions by boat are mainly via Frisia, Friesland from Harwich to Hamburg and Bremerhaven. Inland waterways cruises are arranged by German Rhine Line, Hotel/Cornishers, European Yacht Cruises and Travelscene/Holland Cruise Line.

The individual traveller accounts for 70 per cent of the tourist traffic from Britain, of which half goes camping. Package holidays are taken by 30 per cent, and there are now more than 70 tour operators in the United Kingdom selling holidays in Germany. The tourist office in London has compiled an *Inclusive Holidays 1977* brochure informing the public about the type of holidays on sale through tour operators. The tourist board forecasts a greater share of this market.

It is interesting to note that Munich, which has recently published a "low price arrangements" brochure, including weekend offers of from one to three nights from DM34 besides stop-over arrangements for air, car and rail travellers on any day between June 10 and September 5, is now the fifth most popular destination in Europe. Two important calendar events attract the visitor—the Munich Opera Festival between July 10 and August 3 and the Kulmbach Beer Festival from July 3 to August 7. Kulmbach, near Munich, is the biggest brewing centre in beer-loving Bavaria.

Intending visitors can now obtain the 1977 *Michelin Red Guide* for Germany at the local bookseller. The guide lists more than 10,000 hotels and restaurants in 3,600 towns and villages in the Federal Republic. There are 670 newly listed establishments and 661 have been deleted. There are now nearly two million beds available of which half a million are in private houses.

## How much will your exports be worth this year? Before you answer, read this:

Since conditions of international trade are changing constantly, your bank must be able to provide the expertise and capacity you need to operate at maximum efficiency.

Proven experience, international know-how and the flexibility to meet your specific requirements are essential.

Commerzbank, one of Germany's leading commercial banks with consolidated total assets exceeding DM 63 billion, offers more than a century of multi-market experience in foreign trade financing. International customers rely on Commerzbank for expert advice on hedging foreign currency exposure and for in-depth

knowledge of local requirements around the world.

With 850 branches in West Germany and West Berlin, branches in Brussels, Chicago, London, New York and Paris, and a global network of offices, Commerzbank can put you in touch with potential trading partners anywhere — or arrange contacts for joint ventures, mergers and acquisitions.

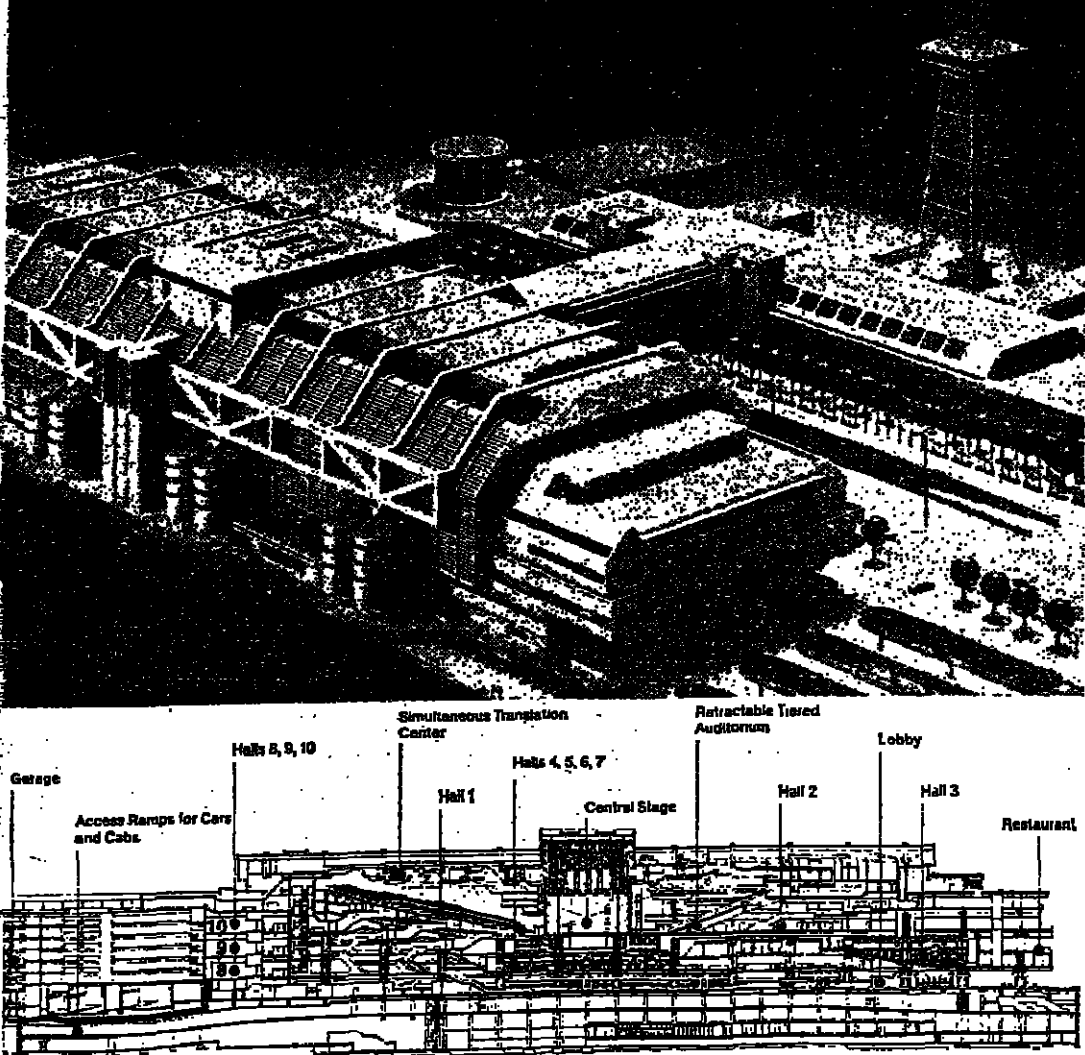
Our London branch reflects the Bank's universal character: Sound advice on trade financing, Sterling bank in London, access to the Euro-markets, other international financial services and a direct link with business in Germany.

## COMMERZBANK

London Branch:  
10-11 Austin Friars, London EC2P 2 JD  
Tel: 638 5895, Telex: 8812230

EUROPARTNERS: BANCO DI ROMA • BANCO HISPANO AMERICANO • COMMERZBANK • CREDIT LYONNAIS

## International Congress Center Berlin: Best right for 5 or 5,000. Opening April '79



**AMK Berlin**  
Company for Exhibitions, Fairs and Congresses, Ltd.

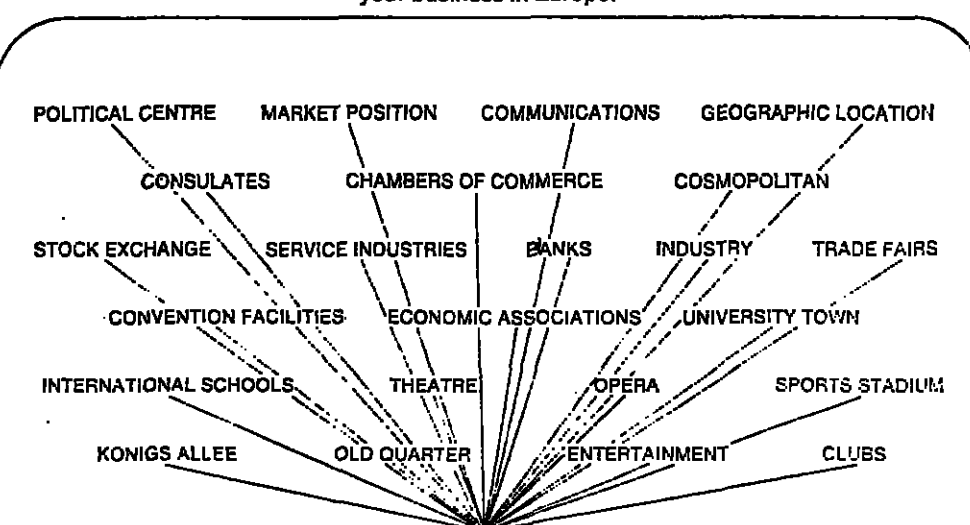
International Congress Center Berlin  
Congress Hall Berlin  
Exhibition Grounds Berlin  
Deutschlandhalle/Ice Palace Berlin

Box 191740, Messestadt 22  
D-1000 Berlin 19  
Telephone: (030) 3038-1  
Telex: 0182908 amk d

Contact address: German Chamber of Industry & Commerce in the United Kingdom, 10, Wellesley Lane, 11 Grosvenor Crescent, London SW1X 7EE. Telephone: 01-235 0681, Telex: 91442 Germantrade

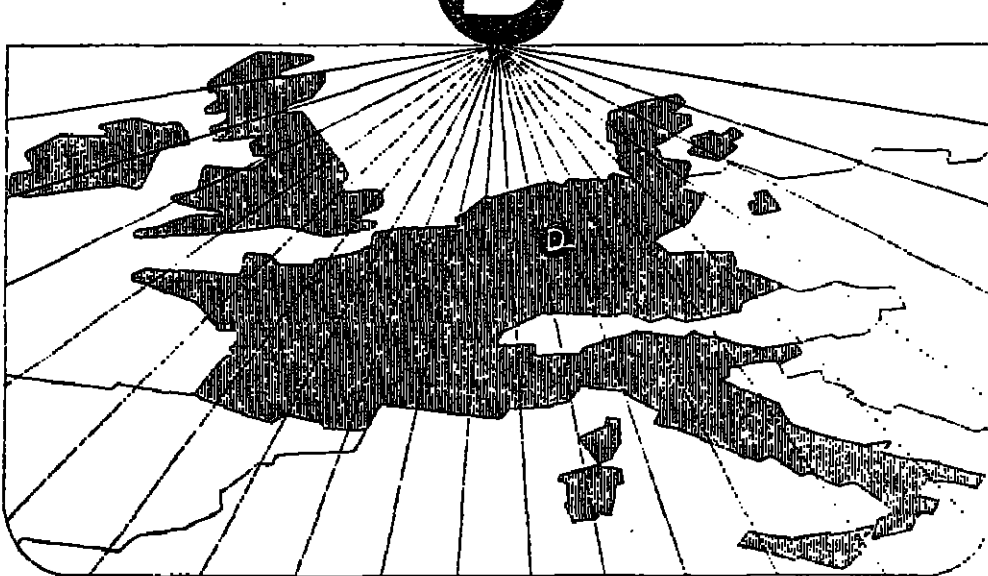
## LOCATION FACTORS

Vitaly important for the efficient execution of your business in Europe.



DÜSSELDORF

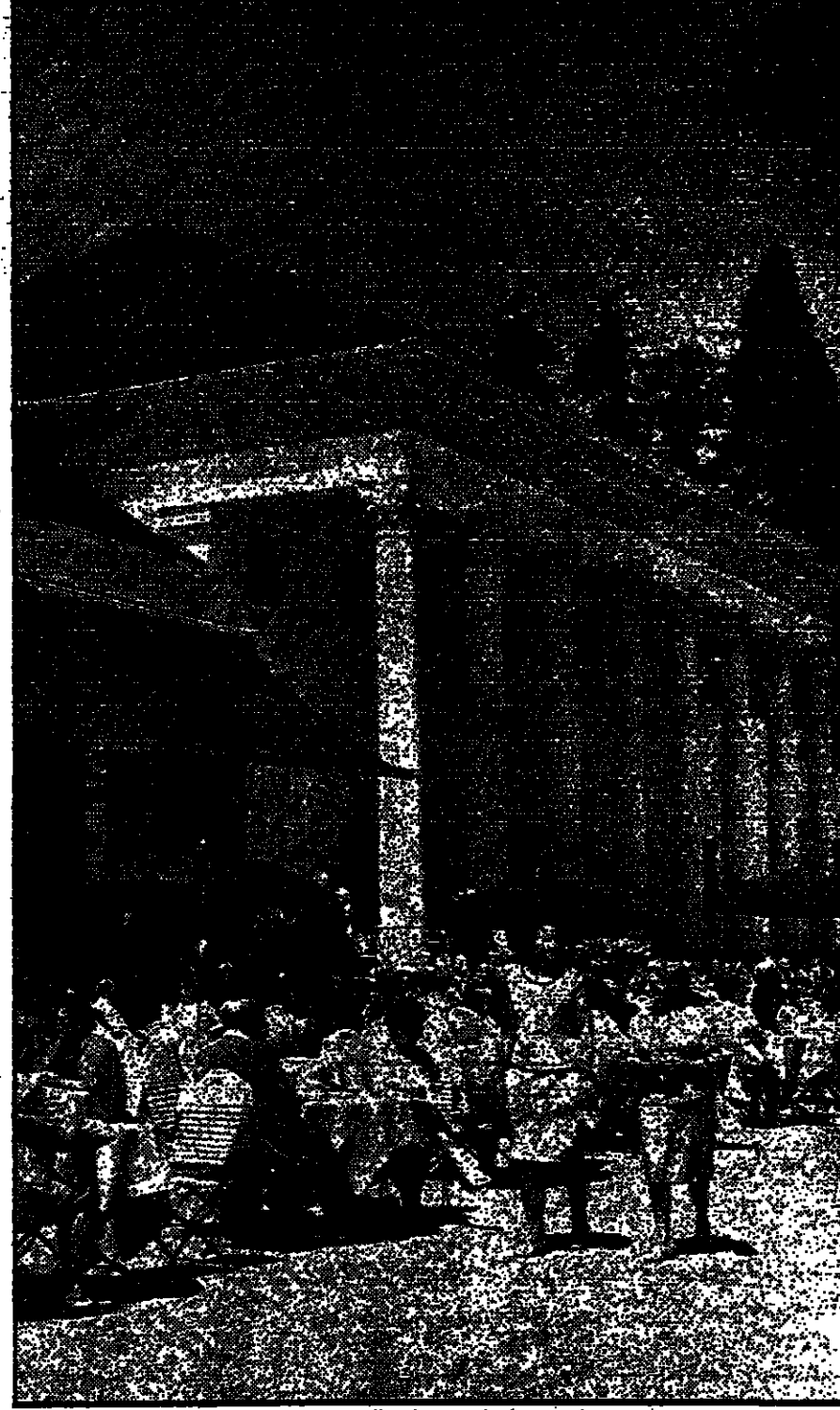
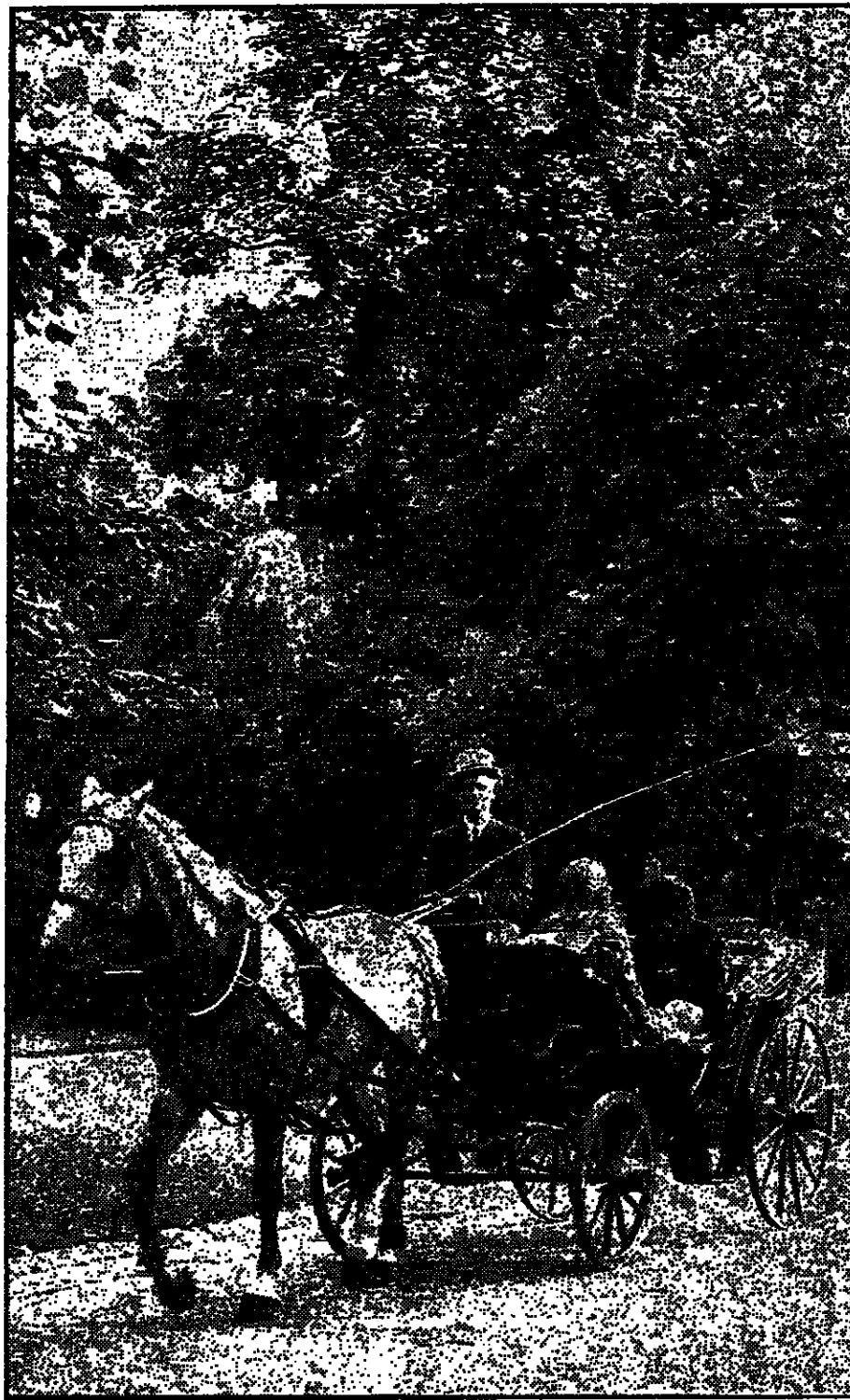
DÜSSELDORF



Düsseldorf  
The International Economic Center in Europe.  
Enquiries  
Office of Tourism and Economic Promotion.  
Düsseldorf 30.  
Ehrenhof 3. Tel. 899-3802/03.

To the Department of Economic Promotion  
29, Kölnstrasse 4 Düsseldorf.  
Please forward illustrated brochure "Düsseldorf - the joint center of various dominant economic areas" to  
Name  
Address





Visitors to Baden-Baden take their pleasures seriously—at the casino, reputed to be the wealthiest in the world—in a carriage ride and in the Kurhaus gardens.

## Who offers you more comfort between Britain and Germany?



Choose your Airbus connection in our Yellow Book.

Relax in the wide-bodied comfort of Lufthansa's European-made Airbus which operates from Heathrow to Frankfurt. Daily flight LH037 from Heathrow 19-00, arriving Frankfurt 20-25, returning next day LH034 16-35 and arriving Heathrow at 18-10. Ask your travel agent or Lufthansa for the Yellow Book.



**Lufthansa**  
German Airlines

## Historic spa bubbles along merrily on wave of nostalgia

by Geoffrey Weston

"BAD" stood out on the taxi number plate, as I walked out of the station, and on nearly all the cars as I was driven up the narrow river valley into the centre of town. The fantasy that Baden-Baden had reversed its traditional image of respectability quickly passed. The famous spa is exactly as I pictured it, prospering on an old economic formula more common to the middle years of the nineteenth century than the last quarter of the twentieth.

The essence of the town lies in less than half a mile along the river Oos, which flows tidily down a series of artificial steps between impeccably tended banks. On one side are the gardens and terraces of imposing old houses, on the other the tree-lined Lichentalallee. The classical façades of the Kurhaus and the pump room, against a steep backdrop of trees and standing back behind formal gardens and romantic gas lamps, form a glorious spectacle. At one end of it a short pedestrian way lined with magnolias and expensive boutiques runs down to the little river.

On the opposite bank narrow streets lead to the nineteenth-century Baroque splendours of the Friedrichsbad and the modern luxury of the Augustabad, the twin centres for thermal treatment, overlooked by a suitably romantic Schloss.

Baden-Baden lives overwhelmingly off its visitors, 800,000 of whom last year. Almost half of them come to imbibe the spa water, bob up and down in its tubs, its steam or wallow in more complicated treatments from mud baths to underwater massage. Most of the rest were tourists or conference delegates. A two-hour wander round the hot and cold rooms and a dip under the rostrum of the Friedrichsbad before flopping on a bed in the rest room costs only DM18, but in spite of the difficulty of making the thermal ends meet, medical treatment can be expensive.

The source of the spa water is a remarkably small area around the market place, and trial borings in many surrounding areas have proved abortive. The spring, discovered by the Romans, eased the rheumatics of the Emperor Caracalla, but it was not until the early nineteenth century that Baden-Baden's prosperity really soared and the local population switched from breeding pigs to making money seriously.

Apart from the vogue for picnics under the trees of the Oos and rife into the surrounding Black Forest, the main lure was gambling. Carlisle, a solid bureaucrat, focused on its past.

By 1830 only one in five people came for the cure. The rest came to amuse themselves with concerts, balls, lavish parties, riding and to lose their money.

Jacques Dénizot came from Paris to lease the casino, and it was primarily his vision and that of his son Edouard that turned Baden-Baden into the summer capital of Europe until 1870, when the Prussians closed the casino. The cream of the aristocracy crowded the town every summer and even Bismarck, arriving at short notice, had to spend several nights sleeping in a cellar when no other accommodation could be found.

The theatre, for which Dénizot wrote, became the town's last opera, and the Hirschheim racetrack, laid out on flatter ground nearer the Rhine Valley, dates from these golden years.

The two world wars made little impact, but the economic crisis of the early 1930s brought the town close to ruin. With the hotel business on the edge of bankruptcy, permission was given to reopen the casino. In the postwar years it was still clear that here lay the town's prosperity, and the only industry—a mixture of crafts, publishing, printing, pharmaceuticals, cosmetics and textiles—kept safely out of the narrow confines of the valley.

The casino is reputed to be the wealthiest in the world and could well be the most lavish. To its riot of gold leaf, rich colours and swish carving in the styles of Louis XIII, XIV and XV have more recently been added a modern bar and gaming room with bronze mosaic walls and a copper ceiling. On special days solid gold and silver jets are used.

Eighty per cent of its DM34m income is paid in tax to the Land government, but a large proportion is returned to the town. Although it thrives the nineteenth century at its most romantic, with the pains of a further hundred years, it has evolved to please a very different clientele. In place of the frivolous young courtesans and the kings and princes, most casino visitors are now, well-paid businessmen, 40 to 50 years old, while the average spa guest is over 60. The present population echoes this trend and makes no discernible impression on local character. One of the biggest houses is owned by a steel magnate, and Turgenyev's old villa is occupied by the owner of a supermarket chain.

If the town's leaders do not have the panache of the Bismarcks, they realise that Baden-Baden needs to change steadily and that provided the plush hotels will maintain their antiseptic image and the gardens of the Kurhaus their charm, key figures in this process are the Lord Mayor, Dr Walter Carls, a solid bureaucrat, focused on its past.

In the last decade Baden-Baden has undergone a change too slowly. Although the valley roads are steep for juggernauts, a heart of the town has long been choked in summer by too many cars as a short cut from the Rhine to the Black Forest. The increased traffic through the town has been counterproductive in long run. Spa guests in particular are put off by the fumes, the hazards of crossing it. The authorities have up to belatedly to the fact the existing roads were for an era when fleet hackney carriages waited to whisk their clientele from the Augustabad to the Kurhaus, Hotel and the casino. Now guests must be persuaded to walk these roads, although there are some special buses, encouraging them to leave their cars in the town square. The old town, and market place is being up to reveal the Roman main street, while first pedestrian precincts, including the casino, centre during the season.

A plan to divert the road and sink an autobahn bed was dropped as public outcry. But four car parks are being built with the aim of clearing traffic from the town. Roads must be built on steep hillsides. More nebulous is the plan of rejuvenating the town's image. Elegant breeding are words the up in Baden-Baden. Pervasive is the air of chic, which, obscurer, the old seem to find it everywhere from the atmosphere of gaming rooms, where seniors clompers approach on their high to the costly staid in the shops. There whiff of brashness or cordant note of pop. A new swinging in the copywriters. The resort is to be place to improve health, coupled with activities like tennis, and walking, rather paradise for hypochondriacs. Twenty-four new hotels, medium price run planned and even if the old days, the visitor cannot be expected for several months a retinue of 100 servants might be persuaded longer than the previous age of four to five. With luck he will be ingly youthful too. Even if developed remain painfully slow, there seems little doubt that Baden should deviate its proved policy of reluctantly towards the 1980s with its eye the main lure was gambling.